

## **complaint**

Mrs W complains that information Vanquis Bank Limited recorded on her credit file is incorrect and hasn't been removed.

## **background**

Mrs W opened a Vanquis credit card in November 2011. In October 2012 she entered a debt management plan through a debt charity and Vanquis accepted £5 per month from 4 October. Mrs W continued to make the repayments.

In January 2019 Mrs W complained to Vanquis. She said a default had been reported on her credit file and that it had remained on there for over six years. She included screen shots of her credit file from December 2016 which appeared to note a default.

In its final response Vanquis said it hadn't reported a default to Mrs W's credit file. It said it had provided regular updates to the credit reference agencies and had reported a debt management plan. It did accept that during a call on 11 January 2019 an agent had provided incorrect information regarding a default which incorrectly led Mrs W to believe a default had been applied. It paid Mrs W £25 as an apology for this lapse of service.

Mrs W brought her complaint to this service. She maintained that a default had been applied, had come off, then went back on again the following month but reported slightly differently.

Our investigator examined the information Vanquis is currently reporting to the credit reference agencies and a default hadn't been reported and she found no default on Mrs W's credit file. She said a debt management plan is reflected on the credit file and she was satisfied that Vanquis was reporting correct information. She said in addition to Vanquis accepting it made an error when it provided incorrect information, it had now amended her file to show when Mrs W started making repayments from October 2012. It offered an additional £50.

Mrs W asked for a decision from an ombudsman. She said she couldn't understand why we are siding with Vanquis when it says a default was never applied because she said a default in previous reports is clearly shown. She said her main complaint is that after the account was defaulted for six years Vanquis proceeded to add the account back onto her credit file.

## **my findings**

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint. I realise this will come as a disappointment to Mrs W, but having done so I'm satisfied £75 in total is a fair and reasonable remedy so I won't be asking Vanquis to do anything more.

Mrs W is concerned that a default was recorded and then as that expired the debt management plan was added to her credit file which, she says, will affect her credit score and ability to get a mortgage for many years. I do understand her concern and I realise it must be frustrating for her especially as she is honouring her payment schedule.

Mrs W provided screen shots of her credit file from 2016. These are taken from a credit club app. The screen shots appear to be from a mobile phone and there is limited information included. The first screen says the current status of the Vanquis account to be

“default/ended”. It shows the last update on 28 December 2016. The second screen shows latest update on 3 February 2019 and shows the account up to date with a debt management plan recorded. These are only partial views of the credit reports with little to no further detail so it is difficult to establish exactly what was reported.

I can see why Mrs W feels that Vanquis recorded a default based on this screen shot. But Vanquis has said it did not record a default nor does it have any record of doing so. If it had recorded a default I would expect to see a number of references to it in contact notes, copies of letters and mentions in account records and there aren't any. It is also possible that the credit reference agency has recorded an error. My role is to be impartial and make a decision based on the evidence available. Where evidence is missing, contradictory or unclear I'll look at what's available and the surrounding circumstances – to decide what I think is most likely to have happened. I'd like to reassure Mrs W that it is not a case of siding with one party or another.

We are, unfortunately, dealing with information held and processed by a third party, the credit reference agency and a fourth party which is the phone app hosting the credit information. A finance provider gives information to the credit reference agency. This agency then records it and provides it as part of a report to the consumer, in this case through a fourth party app. So it's difficult for me to say with any degree of certainty that Vanquis recorded a default with the credit reference agency because there is the possibility that it is a reporting error from the credit reference agency. As I would expect to see more than one mention of the default in Vanquis' records and I haven't seen any I find it more likely it didn't record a default. But even if Vanquis did record a default at the time, there is no default on the credit file now so it would have no impact on Mrs W's current credit rating.

Mrs W has said that after the six years passed Vanquis proceeded to add the account back to her credit file as a debt management plan. Mrs W does have a debt management plan and is still making repayments to Vanquis. So it is legitimate information for Vanquis to report to credit reference agencies. Vanquis are required to report accurate information. If a creditor such as Vanquis accepts an offer of payment through a debt management plan then it can add a marker to a credit file that shows repayments are being made through such a plan. So I find it reasonable that Vanquis has added this information to Mrs W's file.

Mrs W has said that no amount of money will compensate for the fact she will now be unable to get a mortgage in this lifetime since her credit file will be affected for another 15 odd years. I do understand why Mrs W is upset but Mrs W freely entered into the debt management plan and it is this which may affect her credit rating. I'm satisfied Vanquis hasn't done anything wrong by recording her plan with the credit reference agencies, as being a true reflection of the situation. Mrs W still has a financial relationship with Vanquis so I would expect to see it accurately reflected on her credit report. And while I understand this may have an impact on Mrs W's ability to get further credit this isn't something I can hold Vanquis responsible for.

Vanquis has accepted it made an error when it gave Mrs W incorrect information regarding a default in January 2019 and it paid her £25 compensation which I believe is fair and reasonable.

Vanquis has also amended the date on Mrs W's credit file for when she started making the debt management plan repayments. And I'm pleased to see that Vanquis has agreed to pay her £50 in compensation which I feel is fair and reasonable.

**my final decision**

My final decision is that Vanquis Bank Limited should pay Mrs W £50 in compensation for the inconvenience caused. For the avoidance of doubt this is in addition to the £25 already awarded.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs W to accept or reject my decision before 17 August 2019.

Maxine Sutton  
**ombudsman**