

complaint

Mr N complains that Vanquis Bank Limited has treated him unfairly. He would like Vanquis to remove the default it recorded from his credit file.

background

Mr N had a credit card with Vanquis but after he fell into financial difficulties, Vanquis defaulted his account and passed his account to a third party debt collection company.

Before Mr N complained to this service, Vanquis said it was going to refund just under £417 of interest and charges that it had applied to his account. Mr N was unhappy that Vanquis didn't tell him why it was doing this or give him a breakdown of the refund.

Mr N said that he'd told Vanquis in 2012 that he'd been made redundant. Mr N said he couldn't make his minimum payments due to depression and a gambling problem and that Vanquis was aware of his depression.

The adjudicator didn't recommend that Mr N's complaint be upheld. The adjudicator was satisfied that Vanquis tried to help Mr N once he made it aware of his financial difficulties. The adjudicator couldn't see any record of Vanquis being told about Mr N's redundancy in 2012.

The adjudicator thought Vanquis's offer to refund any account charges and interest that it had applied between July and November 2013 was fair. The adjudicator explained to Mr N what the refund was for.

The adjudicator didn't recommend that Vanquis remove the default from Mr N's credit file as this was a fair reflection of the way his account had been managed.

The adjudicator also considered the point that Mr N made about Vanquis not telling him that he could set up a direct debit payment on his account. The adjudicator thought that Mr N was aware that he could set up a direct debit as Mr N had previously done this. Mr N also mentioned cancelling his direct debit during a call with Vanquis in July 2013.

Mr N is unhappy with the adjudicator's recommendation. He doesn't agree that it was reasonable of Vanquis to apply a default to his credit file. Mr N says that the debt collection agency started taking payments in November 2013 but didn't add the default until January 2014.

Mr N says that Vanquis didn't make him aware that it would default his account during the phone call in July 2013. Mr N thinks that Vanquis should've taken his good repayment history in to account. Mr N would like Vanquis to add compensation for his distress and inconvenience.

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'm sorry to hear about the difficulties that Mr N has faced but I need to look at whether something has gone wrong and if so, whether Vanquis has done or offered enough to put things right.

I've listened to the recording of the call that Mr N had with Vanquis in mid-July 2013. It appears that Vanquis was trying to help Mr N to avoid his account being defaulted. The member of staff talked about arranging a short term arrangement or some kind of payment plan. The member of staff also suggested that Mr N contact a third party debt management company for assistance.

Mr N explained that he was losing his job and just wanted Vanquis to send his account to a debt collection company. Mr N wasn't able to put forward any meaningful repayment proposals, although a £5 figure was discussed.

Overall, I'm satisfied that Vanquis responded reasonably and sympathetically when Mr N made it aware of his financial difficulties. I understand what Mr N says about the call from Vanquis catching him off guard. During the call recording, I can hear children in the background and appreciate this made it harder for Mr N to have the conversation. However, Mr N didn't ask Vanquis to call back at a more convenient time. The reason that he didn't want to continue with the call appears to have had more to do with the fact that Mr N wasn't in a position to make any payments and not because it wasn't convenient to speak.

Vanquis has since refunded the charges and interest that it applied to Mr N's account from mid-July 2013 until 12 November 2013. This refund has been applied to Mr N's outstanding debt to reduce the balance left to pay. I think this is fair. I don't require Vanquis to pay more compensation than this.

Vanquis has sent us copies of the final demand and notice of default so I can't say that it didn't warn Mr N what would happen if he didn't bring the arrears up to date. As Mr N didn't repay the debt in line with the terms of his agreement I can't find that Vanquis was wrong to record a default on his credit file. It follows that I don't require Vanquis to remove the default.

I'm sorry that my decision is likely to disappoint Mr N but overall, I consider Vanquis has treated Mr N fairly so I don't require it to do more.

my final decision

My decision is that I don't uphold this complaint in the sense that I find Vanquis has already done enough to put things right.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr N to accept or reject my decision before 21 January 2019.

Gemma Bowen
ombudsman