

complaint

Mr T complains that Vanquis Bank Limited duplicated a default registration on his credit file.

background

Vanquis passed Mr T's account to a debt collection company in 2014 for non-payment. It later took the account back in-house, prior to selling it.

Mr T says he contacted Vanquis in July and August 2015 to say that he would be pay the debt in full, and was told that would be fine – with nothing said about default or sale of his account.

Mr T says that he later became aware that there were two defaults registered on his credit file in respect of this account – one by Vanquis and the other by the company that his account had been sold to.

Mr T complained to Vanquis, and it removed its default – leaving only one default registered, by the new owner of the account. It apologised and paid Mr T £100.

This did not settle the complaint, as Mr T felt that there should not have been any default registered on the account at all, in the circumstances. He brought his complaint to this service, where one of our investigators looked into it.

The investigator noted that only one default registration remained on the account, which was the one registered by the new owner and showed that the account had been settled. Although Vanquis had not registered the default at the time, the account had been in default since summer 2014 and the debt had not been repaid at the point when the default was registered.

Overall, the investigator did not consider that Vanquis must do anything further to settle the complaint. Mr T did not agree and said, in summary:

- He still believes that Vanquis registered the default after he had called it to explain the situation.
- He feels that Vanquis said things just to get him off the phone, and it has failed to sort things out properly. He was not offered an account freeze or payment holiday, when clearly there was a problem.
- If he'd realised that Vanquis had sold the account, he would have set up a repayment arrangement rather than trying to clear the debt so quickly. Vanquis is getting away with this just because he had missed some payments.
- At the end of the day, he repaid the debt in full as he had promised he would. It's not as though he had buried his head in the sand and not addressed it. The fact that Vanquis has sent him a cheque is a partial admission that it made a mistake.
- This problem is continuing to affect his credit standing, as long as the default remains on his file. He does not accept that the remaining entry is correct.

my findings

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint.

Because Mr T had missed payments, his account was in default by summer 2014 – and that is why Vanquis sent a notice of default in July 2014. It initially put the debt out to collection agents but, when the money was still outstanding, it took the debt back in-house preparatory to selling the account, and registered the default in May 2015.

Vanquis' records show that the sale of the account went through on 30 June 2015. Mr T says he contacted Vanquis in July and August 2015, promising he would pay in full at the end of August 2015. He says Vanquis told him that was fine, and did not mention the sale of the account or the default.

Mr T made his first payment towards the debt on 13 August, followed by another on 7 September 2015. The remaining balance on the debt was repaid after that.

So, whilst it would have been better if Vanquis had been clearer with Mr T when he called in July and August to say when he planned to repay the debt, I don't see that this would have made any material difference to Mr T's position.

Offering to start a smaller repayment plan straight away, rather than paying later by three lump sums, could not have prevented events that had already taken place. And, in any case, Vanquis was by then entitled to require full repayment to avoid registration of default – not just an offer of instalments.

Vanquis made an administrative error when, following the sale of the debt, it continued to report the default rather than leaving that to the new owner. This meant that, for a period of time, Vanquis and the new owner were both reporting the same default. The £100 that Vanquis paid Mr T is in acknowledgement of that. I'm satisfied that Vanquis has since stopped reporting the default.

It's arguable that Vanquis should have recorded the default in July 2014, rather than waiting until 2015, but Vanquis took the decision to instead try to get repayment through recovery agents. That didn't work, and so the default was eventually registered. Taking everything into account, I find that it was not unfair in this case for Vanquis to wait before registering the default.

my final decision

My final decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr T to accept or reject my decision before 13 February 2017.

Jane Hingston
ombudsman