

complaint

Mr I complains that Vanquis Bank Limited won't remove a default from his credit file.

background

Mr I explains that he suffers from an illness and at the time of taking out a credit card with Vanquis Bank he didn't really know what he was doing. He can't afford to pay back what he has borrowed and Vanquis has agreed to write off the debt. It explained that at the time of offering the credit to Mr I it didn't know about his illness. It has recorded a default on Mr I's credit file and suggested that he places a notice of correction on his file to inform other lenders about his health problems and prevent similar problems for the future. Mr I says that the default affects his car insurance and he would like it removed.

Our adjudicator didn't recommend that the complaint was upheld. She thought that the default recorded on Mr I's file was an accurate reflection of Mr I's account. She didn't think that Vanquis was wrong to have given Mr I the credit card in the first place because it didn't know about his problems and there was nothing to suggest that Mr I couldn't pay back what he had borrowed. In the circumstances she didn't think that it would be fair to ask Vanquis to remove the default. Mr I didn't agree and replied to say that the default would have a very negative effect on his life and his ability to get car insurance and other credit.

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 can appreciate why Mr I is upset about the default on his credit file. I can see from the information provided that the credit was taken out at a very difficult time and Mr I has tried to act responsibly and deal with the problems he has had.

I think Mr I's credit file should be accurate and reflect what has happened with his borrowing. The default correctly shows other lenders what has happened in Mr I's case. He can choose to put a notice of correction to explain the circumstances if he wants to give lenders more information about what happened. I think that removing the default would not give an accurate picture of Mr I's credit history and would not give future lenders relevant information.

Vanquis has agreed to write off the debt and I think that this is reasonable in the circumstances. I don't think it would be reasonable to ask it to remove the default as well. Vanquis didn't know about Mr I's problems when it agreed to give him the credit card and I would not expect it to discriminate. So I can't say that Vanquis was wrong to have given Mr I the credit. Mr I says the default will have an effect on his car insurance and possibly affect his ability to take out credit in the future but I think that future lenders should be able to see what has happened before making a lending decision. Mr I can explain the circumstances on his credit file if he wants to but he doesn't have to.

my final decision

My final decision is that I don't uphold this complaint. Under the rules of the Financial Ombudsman Service, I'm required to ask Mr I to accept or reject my decision before 14 September 2015.

Emma Boothroyd
ombudsman