

complaint

Mr E says Vanquis Bank Limited has unfairly recorded a default on his credit card account.

background

Mr E entered into an Individual Voluntary Arrangement (IVA) in 2016. The outstanding balance on his Vanquis credit card was included in the agreement.

Mr E says that when his IVA began his account with Vanquis was within his credit limit. He also says the repayments he was required to make under the terms of his IVA were higher than the minimum payments under his original finance agreement.

Given the specific position on his Vanquis credit card, he thinks it's unfair for his credit file to show his account as in default. Vanquis says that it's recorded everything correctly.

Our investigator didn't uphold this case. Mr E disagreed and so his complaint has come to me for a final decision.

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 know Mr E feels strongly about what's been recorded on his credit file. And I'm sorry to disappoint him, but I don't think Vanquis has done anything wrong. I'll explain why.

Mr E gave us a copy of his credit file. I can see that his IVA is recorded as starting in September 2016. His Vanquis account shows as in default a couple of weeks later.

An IVA is a formal and legally binding agreement. It usually means a significant departure from the terms of the original finance agreements. Under an IVA creditors, like Vanquis, will be bound by a number of new terms, for example the freezing interest and charges. And at the end of the arrangement any outstanding debt is written off.

It's not unusual for creditors covered by an IVA to show the debtor, Mr E in this instance, as in default with regards to their original finance agreements. And given the nature of these arrangements, this doesn't seem unreasonable.

As an aside, I would've expected Mr E's insolvency practitioner to have advised him about the implications of his decision to enter into an IVA.

I think that the small difference that Mr E identifies between the dates when his IVA started and when the default on his credit card account is recorded is most likely due to the time taken by Vanquis to process details of the arrangement. But this doesn't significantly influence my consideration of Mr E's main complaint.

Looking at the information I've got there's nothing to suggest that Vanquis has done anything wrong in relation to recording a default on Mr E's credit card account.

If Mr E has concerns about what's recorded on his credit file he can consider putting a factual *notice of correction* on it. This would allow him to set out a little bit of the context about anything that's happened.

my final decision

For the reasons I've already set out, I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr E to accept or reject my decision before 11 December 2017.

Kevin Williamson
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