

complaint

Mr B complains Vanquis bank Limited allowed a fraudster to open an account in his name.

background

In 2014, a credit card account with Vanquis was opened in Mr B's name. Mr B said he did not open this. The account was then used and managed until March 2017.

At around this time, Mr B contacted Vanquis in response to it attempting to contact him. He said he didn't know anything about this account, so Vanquis asked that he sign a declaration form for it to start its fraud investigation.

Mr B refused to sign the form, so no investigation took place. It was only after he brought the complaint to this service that he finally agreed to sign the declaration. After a short investigation, Vanquis decided it was not going to hold Mr B liable for the debt – so removed it from his credit file as well as the default it had registered.

But Mr B wasn't happy with that response. He said he was caused a huge amount of stress by the delays in Vanquis resolving his complaint and the fact that someone was able to use his details and open the account in the first place.

Our adjudicator explained that he wouldn't be asking Vanquis to do anymore. He explained that as the account had been managed for over three years, Vanquis had no way of knowing that a fraudster had applied for it. He also explained to Mr B that whoever had opened this account was able to intercept the card and PIN when it was sent to an address where Mr B had previously lived – because the fraudster had used a genuine address.

Mr B made further submissions and asked that his case be looked at by an ombudsman.

my findings

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint but based on what I have seen, I won't be asking Vanquis to do anymore here.

I think the adjudicator has explained his reasons in details to Mr B – and my reasons for not upholding this complaint are very similar. I'll use similar headings to give brief explanations.

delay

Mr B says that Vanquis took too long to investigate and resolve his complaint – albeit in his favour. But until Vanquis was made aware that a fraudster was running this account, I can't expect it to have done anything. And when in March 2017 Mr B told Vanquis that he hadn't opened this account, it required a signed declaration from him in order to begin the investigation. The delay from there was caused by Mr B not willing to sign. So, I can't see Vanquis has done anything wrong in this regard.

account opening

As the adjudicator explained, we are looking at what Vanquis did wrong here. In 2014, it was presented with an application for an account, submitted with genuine details. It

approved that application and the account was managed relatively well until March 2017. Vanquis sent the card and PIN to the registered address – an address where Mr B had lived. And a second replacement card was sent in 2016. Again, this appears to have been intercepted.

I accept, by virtue of Vanquis's decision not to hold Mr B liable for the account, that it allowed a fraudster to open an account in Mr B's name. But in the circumstances, I think it dealt with this aspect of the complaint fairly and reasonably.

credit file

Mr B says that the details of the account and the adverse information which Vanquis entered onto his credit file led to him having difficulties in obtaining credit and opening accounts.

Again, I can see that the adjudicator has dealt with this point quite clearly – there were other aspects of Mr B's credit file which were going to cause him some difficulties. His mortgage refusal letter states that a number of factors were taken into account when considering his credit scoring. So, I can't see anything to suggest that the entries from Vanquis alone were what caused these difficulties for Mr B.

In the circumstances, I think Vanquis has dealt with this complaint fairly and I won't be asking that it does anymore.

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 B to accept or reject my decision before 11 March 2020.

Shazia Ahmed
ombudsman