

## **complaint**

Mr G complains that Vanquis Bank Limited failed to treat him sympathetically when he found himself in financial difficulties due to ill health and unfairly recorded a default against him.

## **background**

Mr G has a credit card account with Vanquis. He contacted the business in early 2017 to let them know he was going into hospital and would need help to manage his monthly payments. A three month payment plan was set up for £56 per month. In May 2017 he contacted the bank again to say his operation was being put back and asked for the payment plan to be extended. A new payment plan was set up for another three months. In August 2017, Mr G contacted Vanquis to tell it he'd returned from hospital and another three month payment plan was set up from the start of September for £61 per month.

Towards the end of November, Mr G contacted Vanquis again about a payment plan, but he wasn't able to provide income and expenditure details at that time so nothing was set up. His next contact with the bank was late January 2018. By that time, a default notice had been issued because of several missed payments. Mr G was still unable to provide details of income and expenditure at that point.

In February 2018, as there were still arrears on the account and no payments had been made since September 2017, Vanquis handed the account to a debt collection agency. After that, Mr G started to pay £5 per month to the account. But in April 2018 a default was placed on Mr G's credit file. He complained about that but Vanquis rejected his complaint because the account had been in arrears for 210 days and the payments weren't reducing the arrears sufficiently. So Mr G came to this service. Our investigator didn't think the complaint should be upheld, so Mr G asked for review 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. I'm very sorry to hear what a difficult time Mr G's been through and I can understand why he's upset about the default being recorded on his credit file. But based on what I've seen, I don't think Vanquis has treated him unfairly and I'll explain why.

When Mr G contacted Vanquis in 2017, it did set up three month payment plans three times so I think it was trying to help Mr G through a difficult period. Mr G's mentioned other options the business could've explored. The "account freeze" option was only available to consumers who had an additional feature to their account which Mr G didn't have. And the "instalment payment arrangement" would've only been available if Mr G had been able to do an income and expenditure assessment which he wasn't in late 2017 or early 2018. So I think the three short term payment plans Vanquis arranged through 2017 were a sympathetic response to his situation.

I can see that Mr G's been through a lot over the past year and he did try to manage his finances by contacting Vanquis and telling it about his difficulties. But Vanquis has a duty to provide accurate and up to date records of a customer's credit history to credit records agencies. Mr G didn't make payments to his account between September 2017 and February 2018 and he wasn't in a position to carry out an income and expenditure assessment to set up a payment plan after November 2017. And once the account was transferred to the debt collection agency, his payments weren't sufficient to bring down the level of arrears. So in these circumstances, I don't think it was wrong of Vanquis to register the default against him.

Mr G says he didn't receive the default notices but Vanquis has provided copies of the letters which were correctly addressed so I believe these were sent properly even if Mr G didn't receive them. While I'm very sorry for the upset the default has caused Mr G, in all the circumstances, I don't find that Vanquish has acted unfairly or unreasonably.

**my final decision**

For the reasons given above, it's my final decision that this complaint is not upheld.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr G to accept or reject my decision before 29 November 2018.

Susie Alegre  
**ombudsman**