

complaint

Mr F complained because he was being pursued by a debt collection agency for a credit card debt to Vanquis Bank Limited. Mr F said he had paid £800 to a doorstep collector as a deal to end his debts, and therefore no money was due. He wants the account to be closed so he is no longer pursued for the rest of the debt.

background

Mr F's credit card with Vanquis was in arrears, and in early 2009 the bank passed the account to a debt collection agency. Mr F didn't make any payments, and Vanquis passed the account to a second agency. Mr F made two payments to a doorstep collector for this agency, for £34.69 in August and for £800 in early September 2009. Mr F said that he understood that this would be a final settlement of the debt on his credit card, but there was no receipt or paperwork for this. At the time, the debt on the account was just over £1,000.

In 2010, Vanquis sold Mr F's account to a third party agency. This agency pursued Mr F for the outstanding balance and he complained to us.

Our adjudicator found that it was more likely than not that Mr F only made the £800 payment because he'd been given to believe this would completely discharge the debt at a discount. She noted that he'd only made much smaller payments before, and Vanquis didn't provide this service with copies of any statements after that. The adjudicator recommended that Vanquis should recall the account from the agency it had sold it to; cease any further collection activity; and remove any adverse credit reference data recorded since September 2009.

Vanquis didn't agree. It said the debt agencies wouldn't have stopped trying to collect the debt in 2009, and it had taken Mr F years to bring this to the bank's attention. It also said it was odd that Mr F had paid such a large sum of money to the doorstep collector without getting anything in writing about it being a final settlement of the debt.

my findings

I have considered all the available evidence and arguments to decide what is fair and reasonable in the circumstances of this complaint.

It's impossible to know what was actually said between Mr F and the doorstep collector nearly five years ago. If it hadn't been so long ago, it would have been useful to try to trace the collector for his version of events, but that's not practical. Where the evidence is incomplete, I reach my decision on the balance of probabilities – in other words, what I consider is most likely to have happened in the light of the available evidence and the wider circumstances.

On one hand, Vanquis hasn't been able to produce copies of any documents to show that either Vanquis or its agents were still writing to Mr F about the debt on his account, after he made the £800 doorstep payment in September 2009. I'd expect there to have been frequent letters for the outstanding amount, if the £800 wasn't a final settlement of the debt.

The bank has – at a very late stage – provided some standard template letters, not personalised to Mr F, and some case notes, but these don't provide evidence of any regular communication asking Mr F for the outstanding sum. These case notes also show a year's gap between summer 2009 and summer 2010, with no reason given. Mr F's payment history was, broadly speaking, to make an erratic payment between £50 and £236, not quite every

month. So making two payments within a short time, including one as large as £800, and no payments afterwards, was quite a different pattern. It indicates he might have been encouraged to do so by a promise that this would end the debt.

On the other hand, I'd expect Mr F to have been given some paperwork to prove the debt was being settled at a discounted rate – and to have asked for some, before handing over such a large sum. If the doorstep debt collector was scary, I'd have expected Mr F to contact Vanquis straight afterwards for something in writing.

I've also considered the fact that it was such a long time before Mr F raised this with Vanquis. He made the payment in September 2009 and didn't write formally to Vanquis until November 2013. I'd have expected Vanquis to have at least written to Mr F when it sold the account to the third party agency in 2010, and for Mr F to have complained then. But Vanquis hasn't been able to produce any letters, and Mr F also says he did complain by phone to Vanquis about twenty times, when he was chased for the outstanding £222.27.

Balancing all these elements, I think the key factor is that Vanquis hasn't been able to provide any documents showing that it or its agents continued to chase Mr F for the debt after the £800 payment. This indicates that Mr F was right in believing that the payment he'd made would be a final settlement of the debt.

What Mr F wanted was the debt cleared, but I've also considered whether compensation is appropriate. I bear in mind that Mr F didn't complain for some years, so I don't find he suffered distress over a long period. But when he did complain, he had to make many phone calls and didn't get a helpful reply. So I order Vanquis to pay Mr F £100 compensation for distress and inconvenience.

my final decision

My final decision is that I uphold this complaint. I therefore order Vanquis Bank Limited to:

- Recall Mr F's account from the third party agency;
- Cease any further collections activity;
- Remove any adverse data recorded on Mr F's credit file for the account which reflects the period from September 2009 onwards;
- Pay Mr F £100 for distress and inconvenience.

Belinda Knight
ombudsman