

complaint

Ms B complains that Vanquis Bank Limited (Vanquis) is pursuing her for a loan debt for which she says she is not liable. She believes she has been a victim of identity theft and disputes that she ever took out a loan with either Vanquis or its third party sister company. She also complains that Vanquis gave her contradictory information and were unprofessional in dealing with her complaint. She wants Vanquis to correct her credit file and apologise for the stress it's caused her.

background

Vanquis say Ms B took out a loan with its third party sister company in July 2016. They do however acknowledge they bought the debt from the sister company.

When Vanquis began to pursue Ms B for non-payment of the loan, they said that she had agreed to the loan with a door to door representative at her home. They also said that she had made payments to the account as well as acknowledging the debt in 2016 on multiple occasions. Ms B denied that to be true. She provided Vanquis with her identity documents to enable proof of signature on the loan agreement. Vanquis confirmed to her that the signatures matched but when she asked for a copy of the agreement it showed only an electronic printed signature. Vanquis subsequently confirmed that the agreement had actually been entered into online.

Vanquis have apologised to Ms B for giving her the wrong information and offered to send her a cheque for £25 in compensation. But Ms B still maintained that she didn't take out the loan. So she referred her complaint to us.

Our adjudicator looked into the complaint and concluded that Vanquis hadn't done anything wrong and that the complaint ought to be directed against the sister company because it was responsible for verify the applicant's identification. Ms B didn't agree and so this complaint has come to me for a final decision.

In my provisional decision I set out why I was minded to uphold the complaint. I invited both parties to let me have any further comments and evidence. neither party has put forward any new comments or evidence for me to consider

my findings

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint. As neither party has made any further comment or provided any further evidence I see no reason to depart from the findings I made in my Provisional Decision. So I intend to uphold the complaint and I've explained my reasons for doing so below.

I think this is a very difficult situation. I asked our adjudicator to find out what documentation Vanquis had to prove that Ms B actually owes the money claimed. I suggested there might exist some original documentation, a payment history and perhaps some case notes. Vanquis provided some further documents but they are not to my mind sufficiently detailed. I have seen a copy of the loan agreement dated the 2 July 2017 which is certainly in Ms B's name. I have also seen an account statement dated June 2018 which shows that £20 has been repaid to the loan by way of "Agent Collection" on the 8 July 2016. But I have not seen any case notes or agent's collections notes.

I note Vanquis' comments that its sister company ought to be responsible for this complaint because it was responsible for the identification checks. But I think that when Vanquis bought the debt, they ought to have undertaken sufficient due diligence to satisfy themselves that Ms B actually owed the debt. As such I would expect Vanquis to be able to provide documentation so as to satisfy this service that Ms B entered into the agreement. In my view the complaint is properly made out against Vanquis. I accept they have provided an agreement purportedly signed by Ms B but given they have said that Ms B rang them on multiple occasions and also made two payments to the account, I would expect to see some evidence to support that particularly as the third party company is Vanquis' sister company and from what I've seen it's been able to obtain some information from it. Unfortunately, as mentioned above, the information that has been provided is limited.

As I have said this is a difficult case, but given the positive denial Ms B puts forward I think the burden weighs a little more heavily on Vanquis to prove the debt is lawfully owed by Ms B. Currently I do not think they have produced sufficient evidence to satisfy me of that.

So I disagree with our adjudicator and I do uphold this complaint. Unless Vanquis can provide more information to support its position that Ms B owes this debt, I intend to recommend that Vanquis buy the debt back from the new owner to whom they recently sold it; stop pursuing Ms B for this debt; remove any record of the loan, payment history and adverse data from her credit file; and pay her compensation to reflect the level of distress and inconvenience she has suffered.

my final decision

For the reasons given above, and in my provisional decision, I uphold this complaint. I require Vanquis Bank Limited to:

- (a) buy the debt back from the new owner to whom they recently sold it
- (b) stop pursuing Ms B for this debt
- (c) remove any record of the loan, payment history and adverse data from her credit file;
- (d) pay her £200 compensation to reflect the level of distress and inconvenience she has suffered.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms B to accept or reject my decision before 18 October 2018.

Jonathan Willis
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