

The complaint

Mr H complains that Vanquis Bank Limited recorded a default on his credit file in October 2019.

What happened

In May 2016 Mr H took out a credit card with Vanquis. I won't detail the full history of the account. Rather, the key events I think are relevant to my determination. In October 2017 Mr H told Vanquis he'd had an accident and would be unfit for work for at least three months. Unfortunately, his difficulties continued, and following intermittent payments in 2017 and 2018, his account was defaulted in August 2018.

Mr H complained about this and in December 2018 Vanquis agreed to remove the default. It said that, whilst there had been a breach of contract through non-payment, it should've done more to assist Mr H prior to this. It told Mr H his account remained closed and invited him to contact the Financial Difficulties Team to discuss options available to assist him in repaying his balance.

Following this, a payment was made to the account in January 2019, then again in early April 2019. As this was only a partial payment, the account remained in arrears. No further payments were received. In late April and May, Vanquis sent Mr H letters telling him that his payments were overdue and immediate action was needed. In June 2019 it issued a formal notice of default. Vanquis passed Mr H's account to a debt collection agency in July and the default was reported again in October 2019.

In July 2021 Mr H complained to Vanquis about that default. He thought it had been added incorrectly, referring back to previous complaints and saying he'd asked for additional assistance. He wanted the default removed as it would affect his credit rating until 2025.

In its response, Vanquis detailed the history of Mr H's previous complaints and their outcomes. It didn't uphold the new complaint about the October 2019 default. It said the correct process had been followed and that multiple attempts to contact Mr H and encourage him to get in touch to discuss his account had been unsuccessful. Mr H referred his complaint to our service.

Our investigator looked into things. He explained to Mr H that he could only look at the current complaint about the 2019 default. And having done so, he didn't think Vanquis had acted unfairly in applying it. Mr H disagreed. He said he didn't think he'd been given sufficient support to avoid the default and that his vulnerabilities hadn't been taken into account. So his complaint has come to me for a final decision.

What I've decided – and why

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint.

Having done so, I've decided not to uphold Mr H's complaint. I'll explain why.

Firstly, I'd like to be clear about the scope of my decision. Mr H has made previous complaints to Vanquis about issues relating to his card. Vanquis responded to those complaints and gave Mr H referral rights to our service, which were not exercised. So my decision focuses solely on Mr H's 2021 complaint about the 2019 default, although I will refer to previous events as part of the history and context to current matters.

The relevant industry guidance recommends that a default is registered on a credit file when an account is between three and six months in arrears. As an overarching principle, a business must pay due regard to the interests of its customers and treat them fairly. And where a customer is having arrears difficulties, a business is required to treat that customer with forbearance and due consideration. So I've thought about what happened after December 2018, when Vanquis agreed to remove the default previously applied to Mr H's account.

Unfortunately, Mr H's payment difficulties continued. A notice of default was issued in January 2019, but the required payment was subsequently made. Following missed payments in February and March, further letters were sent requiring action. A payment was made in April 2019, partly satisfying the outstanding amount. As no more payments were received and the account remained in arrears, further letters were sent in April and May 2019. Mr H didn't respond to these letters, so a notice of default was sent in June 2019. That letter told Mr H he'd missed payments and was in breach of his contract. It also invited Mr H to contact the bank to pay or to make an arrangement if he was experiencing financial difficulties. And it explained that if he failed to *'make a payment or set up an arrangement we may file a default to his account with credit reference agencies.'*

I'm satisfied the notice of default was sent to Mr H's home address, in line with legal and regulatory requirements, along with other letters reporting the status of his account. In his complaint to us, Mr H said he didn't understand the consequences of the letters, and later, that he didn't receive them. On balance, I'm satisfied they were most likely received, although I accept Mr H may not now recall receiving them. In any event, I'm also satisfied, given the particular history of the account, that Mr H would've known he was behind with his payments and that there'd be consequences should he fail to make payments or contact Vanquis and try to arrange a workable repayment plan.

I've also thought carefully about Mr H's concern that he wasn't given sufficient support and his vulnerabilities weren't taken into consideration. It's clear Mr H contacted Vanquis and asked for support shortly after his accident. I've seen a note made on his account regarding his disclosure and subsequent ill-health. And some measures were put in place, relating to a repayment option plan on the account at the time. But this was not continued, due to lack of response from Mr H to requests for information, and the repayment option plan was subsequently cancelled and was the subject of a previous complaint. I've not seen evidence of any further requests for support or disclosures of any additional vulnerabilities.

Vanquis has provided evidence detailing a significant volume of call attempts made to Mr H over a period of months in the lead up to the June 2019 notice of default being issued. Almost invariably, call attempts were not successful. I'm aware Mr H is unhappy about the number of calls and has said he specifically asked not to be contacted by phone. I can see that a call block was applied for four weeks in April 2019, to give Mr H a chance to contact Vanquis to set up a repayment plan. But no contact was made so collections calls resumed.

I can appreciate Mr H's point of view – that the calls were chasing him for the debt and causing him stress. But I'm also mindful that Mr H was not engaging with Vanquis and that it wanted to talk to him to establish his financial circumstances and likelihood of being able to

bring the account up to date or make a suitable repayment arrangement. It's difficult to see how further support could be offered when Mr H wasn't responding to letters or calls.

I've also thought about whether the default should've been applied earlier, particularly given the protracted history of payment difficulties. As Mr H didn't pay the full amount required in April 2019, the account remained in arrears. So possibly the default could've been applied a month or two earlier. But overall, Vanquis had accepted mistakes were made in 2018 and removed the default applied that year, as Mr H had requested. That gave Mr H a further opportunity to repay the outstanding debt. Unfortunately, things didn't improve and Mr H didn't respond to Vanquis' attempts to engage with him. I accept Vanquis was trying to engage with Mr H to reach an acceptable arrangement to pay. Given the history of the account and Mr H's previous complaints, I think Vanquis treated Mr H fairly in giving him some additional time to engage and applying the default when it did. I appreciate Mr H is concerned about the impact on his credit file. But Vanquis has an obligation to report accurate information to credit reference agencies and I'm satisfied the default was fairly applied.

Finally, Mr H has also said that he was treated differently to his wife in respect of her account with Vanquis. Whilst I acknowledge his feelings, it wouldn't be appropriate for me to comment on Vanquis' relationship with another customer. Every complaint is unique and assessed on its own facts and circumstances. The focus of my decision is solely on Mr H's relationship with Vanquis and the operation of his account.

My final decision

My final decision is that I do not uphold this complaint against Vanquis Bank Limited.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr H to accept or reject my decision before 27 September 2022.

Jo Chilvers
Ombudsman