

## **The complaint**

Ms C has complained Vanquis Bank Limited allowed a fraudulent credit card account to be opened in her name. She's also unhappy about the £350 compensation Vanquis has offered for the delays and reputational damage.

## **What happened**

In May 2021 Ms C discovered a credit card application had been made in her name with Vanquis. She'd received correspondence from their debt recovery agent (who I'll call M).

Ms C outlined to them that she was a victim of fraud and M handed the debt back to Vanquis. Ms C thought that was the end of it. A second debt recovery company (L) told her later in 2022 that Vanquis had sold her debt to them. Ms C complained to L and Vanquis.

Vanquis admitted in September 2022 that this had been a fraudulent application. They lodged a protective registration on the industry fraud database, CIFAS. Ms C was unhappy with this as she believed she'd originally made her complaint in 2021 and no longer wanted this hanging over her.

Vanquis accepted they'd not acted on M's actions in 2021 and offered Ms C £200 for the delays in sorting this out. Ms C rejected this and didn't understand why Vanquis wouldn't remove the protective registration as she'd requested.

She brought her complaint to the ombudsman service. Vanquis offered an additional £150 in compensation. Our investigator felt this was fair overall.

Ms C disagreed and has asked an ombudsman to consider her complaint.

I completed a provisional decision on 29 August 2023. I believed that what had happened meant more compensation should be paid to Ms C.

Both Ms C and Vanquis accepted these findings. I now have all I need to complete my 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 reached the same outcome as I did in my provisional decision. What follows explains my thinking.

Our investigator laid out the detail of what happened and when. I've also had the benefit of Ms C's detailed correspondence so will not be rehearsing the back story as I know all parties accept this.

Firstly it is clear that Vanquis knew as far back as October 2021 that this was a fraudulent application and didn't act on information they received from M. This is clearly wrong. Things

would have had a different complexion if issues had been sorted out in 2021.

I've reviewed what Ms C has told us. This includes:

- her passionate arguments about how much distress the delays have caused her;
- the impact on her reputation;
- the additional questions and delays caused by the outstanding credit card account remaining on her credit record whilst in discussions with her mortgage company;
- why she didn't understand Vanquis not removing the protective registration when she requested this (particularly as this was something they offered to her); and
- the time she has spent trying to sort this out.

### **Putting things right**

I believe Ms C's concerns are valid and I do believe that £350 is inadequate for what has gone on here. I won't be asking Vanquis to give her what she believes is right, but I am asking them to increase this figure by £500 and pay her £850 in all. I believe this amount is fair and reasonable, taking into account what has happened and the impact on Ms C.

Vanquis has agreed to remove the protective registration and Ms C has accepted this resolution. However I am still instructing them to do this in case there has been any delays in initiating this.

I know Ms C is keen to be informed by Vanquis when the protective registration is going to be removed.

### **My final decision**

For the reasons given, my final decision is to instruct Vanquis Bank Limited to:

- remove the CIFAS protective registration in Ms C's name; and
- pay Ms C £850 in total for the inconvenience caused.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms C to accept or reject my decision before 6 October 2023.

Sandra Quinn  
**Ombudsman**