

## **The complaint**

Ms H complains that Vanquis Bank Limited (“Vanquis”) reported a “Q” marker to the credit reference agencies when she raised a dispute about a transaction she didn’t recognise. The dispute was resolved in Ms H’s favour, but the Q marker is still showing on her credit file.

## **What happened**

In September 2022 Ms H raised a dispute for £70.14 in relation to a transaction she didn’t recognise. The dispute was successful and £70.14 was refunded back to the account on 5 October 2022.

When the dispute was raised, a Q marker was added and reported to the credit reference agencies to indicate that there had been a dispute on the account.

In January 2023 Ms H contacted Vanquis and raised a complaint because the Q marker was still showing on her credit file. She said that one of the credit reference agencies was reporting it as a negative matter, which had caused her to be declined for finance.

Vanquis didn’t uphold the complaint. It said it hadn’t done anything wrong because it had reported factual information regarding the account at the time. It said it had no control over whether a credit reference agency or another lender would determine a Q status as positive or negative.

Ms H wasn’t happy with the response and brought her complaint to this service.

Our investigator upheld the complaint. They said they thought Vanquis should have updated Ms H’s credit file once the query had been resolved. They said Vanquis should amend the credit file to show “O” (reflecting that payments were up to date) for September 2022 and pay £50 for the distress and inconvenience caused to Ms H.

Vanquis didn’t agree. It said the Q marker was recognised in the industry as having no negative impact on a credit file. It said the purpose of a Q marker was to highlight that a query had taken place. It said that two of the three main credit reference agencies didn’t recognise a Q marker as having any negative impact and that the issue was how Equifax recognises the marker. Vanquis said it didn’t agree to the Q marker being removed.

## **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.

Vanquis has said that it was appropriate to report the Q marker because a dispute was raised on the account. It has also said that there is no mention in the relevant industry guidance that it should retrospectively update the marker or remove it.

Vanquis has said that it has no control over how a Q marker is viewed by the credit reference agencies. It has also said that it is aware that Equifax sees a Q marker as detrimental whereas the other two credit reference agencies do not.

I've reviewed Ms H's credit file. I can see that the Q marker is reflecting. My understanding of a Q marker is that it reflects that a query has been raised by either the consumer or the provider of credit. If the account wasn't late in payment – and there's no evidence to suggest that Ms H's account was late in payment at the time the Q was reported – and the query has been resolved, which it has, then the Q should be removed and replaced with the correct marker. In this case, I think the correct marker should be "O" to reflect that Ms H's payments were up to date.

I understand the point that Vanquis has made. However, just because the industry guidance doesn't oblige it to update or remove the marker doesn't mean that it can't remove the marker when it's fair and reasonable to do so. I appreciate that if a payment had been missed on the account whilst the query was being investigated then it would be appropriate to reflect this. But in this case, Ms H didn't miss a payment. The query was a temporary state on the account and now that the query has been resolved in Ms H's favour the Q marker should be removed.

Once the marker is removed and replaced with "O", if the Q is still showing then Ms H may need to raise a dispute with Equifax to fix the incorrect information.

### **Putting things right**

For the reasons I've explained I'm upholding the complaint.

Vanquis must amend Ms H's credit file by removing the Q marker and replacing it to show "O". It should also pay compensation of £50 to Ms H for the distress and inconvenience caused to her.

### **My final decision**

My final decision is that I uphold the complaint. Vanquis Bank Limited must take the steps I've set out above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms H to accept or reject my decision before 26 February 2024.

Emma Davy  
**Ombudsman**