

The complaint

Miss S complains that Vanquis Bank Limited unfairly registered a default on her credit file.

What happened

Miss S says she emailed Vanquis to let them know that she had moved address and she was struggling with her repayments. She says she'd been in hospital for a period of time, and she had financial difficulty, with her debts accumulating. She says she sent Vanquis a letter her doctor wrote, but they didn't respond to this, and they sent her an email asking for her date of birth, even though this was included in her previous email.

Miss S says that Vanquis passed her debt to a debt collection agency (DCA), and they registered a default. She says the DCA wrote to her at her new address, and she rang Vanquis, but they had still not updated her address. She says Vanquis marked the default as satisfied but there was still adverse information on her credit file. Miss S made a complaint to Vanquis.

Vanquis partially upheld Miss S' complaint, and they offered her £35 compensation. They said they accept that they got things wrong in respect of the time it took to respond to her emails. Vanquis said with regards to the default and her address change, Miss S informed them on 12 December 2023 of her new address by email, but they sent her a notice of default on 3 November 2023 to her registered address which outlined their intent to apply a default to her account unless they could come to an agreement within 28 days. As no agreement was reached the default was applied on 4 December 2023. They said they weren't informed of her address change until after the default was applied. Miss S brought her complaint to our service.

Our investigator upheld Miss S' complaint, and he said Vanquis should increase the compensation to £100, remove the default from her credit file, and arrange the debt to be passed back to Vanquis to manage. He said Miss S has provided evidence that on 1 September 2023 she emailed Vanquis which advised she was in the process of moving, and in the same email she explained that she tried calling Vanquis to advise she no longer has her card or the application, so she was failing security when she called them. He said Miss S asked for details how she could make the payment.

Our investigator said she sent Vanquis a further email chasing a response and reiterating that she no longer lives at the address they held, and she provided her new one again. He said she sent Vanquis another email advising of her new address. So he was satisfied Miss S contacted Vanquis to let them know about her change of address. But Vanquis sent correspondence to Miss S' previous address as they believed she never informed them of the change. As Vanquis didn't respond to our investigators view of the complaint, Miss S' complaint was passed to me to make 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.

I must make Miss S aware that I'm only able to look into the actions of Vanquis as part of this complaint. If Miss S has any concerns about any actions that the DCA have taken, then she may wish to make a complaint directly to them. If she is not happy with their response, then she may be able to bring this separate complaint to our service.

I've considered what Vanquis have said about them not being informed of Miss S' address change until after the default was applied. But I'm not persuaded by this. I say this because Miss S has sent us evidence that she did contact Vanquis by email to change her address. On 29 October 2023 Vanquis thanked her for her recent correspondence, so I'm satisfied they received Miss S' request. They asked Miss S for her date of birth, even though she had sent this on her previous email. But she responds to the same email address with her date of birth again, but her address wasn't changed.

This wasn't the only time Vanquis acknowledged Miss S' correspondence, as they did so in September 2023 also. If Vanquis had acted on Miss S' address change then they would have been able to send the notice of default to her correct address which would have likely prompted Miss S to take the action required to avoid a default.

So I think it would be only fair if Vanquis removed the default. I need to make Miss S aware that I won't be asking them to remove information from her credit file about late payments, as Vanquis have a responsibility to report accurate information to the credit reference agencies (CRA's). But as they didn't send the notice of default to the address she notified them of prior to the default, then I'm satisfied they should remove the default.

Our investigator has also suggested that Vanquis arrange for the debt to be passed back to them from the DCA. I'm satisfied that this is fair also, to give Miss S the chance to make an arrangement with Vanquis to pay any outstanding balance, as she had been deprived of this opportunity when the notice of default was sent to her previous address. If the DCA don't remove the default that is registered from the DCA, then she may need to make a separate complaint directly to them about what they've recorded on her credit file.

Our investigator has also suggested that Vanquis should increase their offer of compensation to £100 to recognise the distress and inconvenience of Vanquis not only having delays in responding to Miss S' emails, but for also not changing her address when she asked prior to the default being registered. So I intend to ask Vanquis to put things right for Miss S.

Putting things right

Our investigator has suggested that Vanquis should remove the default from Miss S' credit file, arrange for any debt to be passed back to themselves, and pay Miss S a total of £100 for distress and inconvenience, which I think is reasonable in the circumstances.

My final decision

I uphold this complaint. Vanquis Bank Limited should remove the default from Miss S' credit file, arrange for any debt to be passed back to themselves and pay Miss S a total of £100 compensation (less anything they have already paid her) for distress and inconvenience.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss S to accept or reject my decision before 30 July 2024.

Gregory Sloanes
Ombudsman