

## **The complaint**

Mr M complains that Vanquis Bank Limited unfairly registered missed payments on his credit file after he thought his account was closed.

## **What happened**

Mr M says that he has always been on time with his payments towards his Vanquis credit card and he logged into his account online and paid his outstanding balance. Mr M says that he rang Vanquis and asked them to close his account. Mr M says the call handler told him that he'd cleared his balance and cancelled the direct debit, but a direct debit was still debited from his account and Mr M later found out his account was in arrears. Mr M made a complaint to Vanquis as he feels he was misinformed when he was told the balance had been cleared.

Vanquis did not uphold Mr M's complaint. They said that on the calls he made on 23 September 2022, neither colleague advised him to make any payments as he told them he had cleared the balance himself prior to calling them. Mr M brought his complaint to our service.

Our investigator did not uphold Mr M's complaint. She said Mr M's 1 September 2022 statement confirmed his account balance of £496.97, and although he made a payment of £350 on 2 September 2022, this didn't clear the balance as he used the card for further purchases. She said she listened to the calls Mr M had with Vanquis and he informed the call handlers that he just paid off the remaining balance five minutes ago and he would like to close the account, and Mr M was then transferred to the closures team. She said the call handler would cancel the direct debit from his end but advised Mr M to cancel it with his bank as it had already been applied for. She said the call handler told Mr M his account was pending closure which would go through once the payment Mr M just made cleared and the balance became zero, and once this balance went to zero, he confirmed Mr M's account would go into a full closure.

Mr M asked for an ombudsman to review his complaint. He made a number of points. In summary, he said that he was informed that the account was pending closure, but he was not informed to clear the outstanding balance regardless of if he had said that he cleared the outstanding balance five minutes ago. Mr M said it would be ideal of Vanquis to advise the customer in good faith to not apply the closure until he could see that the outstanding balance had been paid in case any interest/charges needed to be paid. He questioned why he had been advised to cancel the direct debit if there was a balance outstanding as they should've advised him to not cancel the direct debit until the outstanding balance was cleared in full.

## **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.

Mr M has made a number of points to this service and I've considered and read everything he's said and sent us. But, in line with this service's role as a quick and informal body I'll be focusing on the crux of his complaint in deciding what's fair and reasonable here.

I've listened to the phone calls that Mr M had with Vanquis on 23 September 2022. Mr M tells the call handler he's paid the remaining balance and he'd like to close the account down. He then tells her he paid the balance five minutes ago and he asks her if the payment has "*gone through*". She tells Mr M she doesn't think she would be able to see the payment yet. She told him that she could see the payment made at the beginning of the month for £350 and she tells Mr M his current balance was £293. She then transfers Mr M to their closures team. So Mr M should have been reasonably aware that at that point he owed £293 before any payment he may have made would have cleared.

In the conversation with the closure team, the call handler says that although his account is showing a balance on their end, his colleague had told him that Mr M had made a payment and Mr M confirmed he literally paid it five minutes ago. The call handler tells Mr M there is a direct debit on the account and it would be due on Monday (the call was made on the Friday). The call handler said he could cancel the direct debit on their end, but they recommend him to cancel it with the bank on his end as it would have likely been applied for. The call handler tells Mr M that the account status is "*pending closure*". He informs Mr M that once the balance is at £0 his account would fully close. He tells Mr M about how this would show on his credit file. Mr M is told "*if you've got our mobile app, it will still let you log into the app even when it's pending closure until the time when it's fully closed*".

I've considered what Mr M has said about the direct debit. Mr M told Vanquis that he had paid the outstanding balance, so as he wanted his Vanquis account to be closed, this is a step I would expect them to take as they would have no reason to doubt what Mr M had told them. And there would be no need to keep an active direct debit on an account which would be closed. The call handler explained to Mr M all of the outstanding balance was comprised for purchases and by paying the full amount by the due date he wouldn't be charged interest for purchases. Due to the conversation being on the Friday, which was one working day before the Monday when the direct debit payment was due, the direct debit was still paid, and this would have been outside of Vanquis' control if Mr M's bank still sent them the payment even though it was cancelled on Vanquis' side.

As Mr M had told both call handlers he spoke to on 23 September that he had paid the outstanding balance, it would not have been proportionate for them to reiterate to him that he would need to clear the outstanding balance. The second call handler clearly explained to Mr M that the account would only fully close once the account balance was zero. And he told Mr M that he could still log into their application (app). Vanquis continued to produce statements for Mr M, so he should've been aware of the status of the account. At no point of the calls did either call handler confirm his account balance was zero or that they could see the payment Mr M says he made.

Ultimately, Mr M did not make the payment to his Vanquis account that he told the call handlers that he did. I don't doubt that Mr M made a genuine error here, as he says he transferred the funds from his savings account to his current account, but it appears he forgot to complete the transfer from his current account to Vanquis. But Vanquis have a responsibility to accurately report the account activity to the Credit Reference Agencies. As Mr M's credit card statements show no payment for two statement cycles, then I can't ask Vanquis to amend Mr M's credit file. So it follows I don't require Vanquis to do anything further.

**My final decision**

I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr M to accept or reject my decision before 7 August 2023.

Gregory Sloanes  
**Ombudsman**