

The complaint

Ms G is unhappy with the way in which Vanquis Bank Limited has administered her credit card account.

What happened

Ms G held a credit card account with Vanquis. In 2016, she fell behind with her payments and agreed a repayment plan. The plan was updated in July 2018.

In July 2019, Vanquis sold a number of accounts that were on long-term payment plans to a debt recovery agency, who I'll refer to as A. Ms G says that she wasn't told this was going to happen. She adds that she only found this out when she tried to log in to her online account to make a payment. Ms G phoned Vanquis and was told her account was now being administered by A.

Vanquis told Ms G that A will continue to maintain the current payment arrangement, but she would need to speak to A directly for further information about her account.

Ms G complained to Vanquis. She said she was unhappy the account had been sold, as it wasn't in default. Ms G was also concerned about the impact the missed payment would have on her credit file. She asked for a breakdown of her payments and a settlement figure to close her account.

Vanquis didn't uphold Ms G's complaint. It said it had sold Ms G's account on in line with the terms and conditions of her account. It said there had been a delay with A telling customers it now owned the account, so in the meantime Ms G could continue to contact Vanquis.

Ms G didn't accept Vanquis' response, so she referred it to our service. Our investigator looked at everything and recommended Vanquis compensate Ms G for the distress and inconvenience caused. He found it was reasonable for Vanquis to assign the debt to A, and explained that Vanquis had agreed the transfer of the debt wouldn't affect Ms G's credit file. But he couldn't see any evidence that Vanquis told Ms G it would be assigning the debt to A, so he recommended it pay £50 for the inconvenience caused. He also said Ms G could refer some of her concerns to A as the owner of the debt as he couldn't hold Vanquis responsible for A's actions.

Vanquis agreed with our investigator's findings. Ms G didn't think £50 was enough for the distress and inconvenience caused. She felt that £100 would be more realistic to cover her phone calls, recorded delivery, and time spent complaining.

Ms G asked for an ombudsman to review the complaint, so it's been passed to me to decide.

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 conclusion as our investigator and for broadly the same reasons. I'll explain why below.

I've checked the terms and conditions of Ms G's account to see if Vanquis has acted fairly in selling the account. The terms state, "*We may assign this agreement or transfer any of our rights or responsibilities to any company or person who is licensed under the Consumer Credit Act 1974...We will give you such notice of any transfer or assignment as is required by law*".

So I can't say that Vanquis has acted unfairly by selling Ms G's account to A based on the terms and conditions. And there is nothing here that states the account needs to be in default before Vanquis takes such action.

Vanquis has said there was a delay in notifying Ms G about her account because of a technical issue at A. This meant Ms G wasn't sent a notification of assignment until September 2019. But as the delay in notifying Ms G was down to A, I can't reasonably hold Vanquis responsible for this. I've checked the relevant rules which cover the selling of debt, and there is nothing specific with regard to who needed to notify Ms G. But I do think it would have been fair and reasonable for Vanquis to tell Ms G her account had been sold as well. So I think it should compensate Ms G for the distress caused here.

I can understand why Ms G is concerned about the transfer of her account to A. And I agree that Vanquis should have reasonably told her this was going to happen. But in deciding fair and reasonable compensation, I can only determine on the actions of Vanquis and the impact they have had on Ms G, and not those of A.

I can see that Vanquis has confirmed Ms G's credit file won't be affected by the delay in transferring her account, and if there are any issues here, she can raise them with A who will correct any errors. And it has already told Ms G she will need to contact A to request a statement of her account and a settlement figure, as it is no longer responsible for the account. I don't think this is unreasonable.

I've considered Ms G's comments about why she thinks £100 compensation is realistic. I acknowledge Ms G will have incurred some costs due to the phone calls and recorded deliveries. But having looked at everything I think £50 fairly reflects the distress and inconvenience caused by Vanquis here.

My final decision

My final decision is that I uphold this complaint and require Vanquis Bank Limited to pay Ms G £50 for the distress and inconvenience caused.

Vanquis Bank Limited must pay the compensation within 28 days of the date on which we tell it Ms G accepts my final decision. If it pays later than this, it must also pay interest on the compensation from the date of my final decision to the date of payment at 8% a year simple.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms G to accept or reject my decision before 14 February 2020.

Dan Prevett
Ombudsman