

The complaint

Mr D complains that he'd repeatedly told Vanquis Bank Limited that he was moving overseas. It said this was no problem, but then suddenly changed its mind and said the account had to be closed. Mr D said Vanquis should've told him this earlier.

What happened

Mr D said he'd reduced the balance on his Vanquis credit card, and repeatedly told Vanquis that he was moving overseas. It had said this was no problem. So he did a large money transfer, but Vanquis is now saying he can't keep the account if he's living overseas, and he shouldn't have done the balance transfer.

Vanquis said Mr D's account should've closed when Mr D left the UK to spend a year overseas. And it said that it should've told Mr D this. To put things right, it would leave the account open until Mr D came back to the UK in November 2020. But if Mr D went back overseas after that, then it would have to close the account. It paid £100 in compensation to say sorry. It said he would need to repay the debt before the account could close, but it could set up a repayment plan for him to do that.

Our investigator didn't think this complaint should be upheld. He said that Vanquis had accepted it made mistakes. But it had apologised, and paid Mr D £100 in compensation. It had also discussed options for Mr D to pay off the balance. Our investigator said that he couldn't ask Vanquis to waive half of Mr D's outstanding debt, as that would be unreasonable. He thought that what Vanquis had already done was sufficient for the mistakes that were made and the service issues Mr D had experienced.

Mr D disagreed. He said that if Vanquis had told him sooner, he wouldn't have used £1,000 of credit on the card. He still thought Vanquis should clear half the debt. He said he was now in debt to his card company, and he thought we weren't being fair.

Because no agreement was reached, this case was passed to me for 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've reached the same overall conclusion on this complaint as our investigator.

Vanquis has told us that dealing with customers overseas can cause problems, including with repayments. Mr D has already had one repayment go astray, so this is not an unreasonable point for Vanquis to make. It would usually close an account if someone's moving overseas for a long time.

But Vanquis appreciates that it didn't tell Mr D this. It knew he was overseas, and it allowed him to keep using his card, including making a large cash transfer in July. There's no

suggestion that Mr D acted improperly by making this transfer. Vanquis knew where he was, and it hadn't told him that there was any problem with that.

Mr D says he wouldn't have made this transfer if he'd known the card was going to close. So he thinks Vanquis should write off half his debt, and he'll pay back the rest.

I don't think that would be fair. That's partly because Mr D did spend this money, as our investigator said. But there's also another reason why I wouldn't ask Vanquis to do this, or to pay more than it has done already. That's because we don't yet know what's going to happen with this card.

Vanquis has said that it won't close the card for now. And we don't yet know if it's going to do that later this year. Mr D is coming back to the UK in November. If he decides to stay, then Vanquis has said the account won't close. Mr D will be in the same position he'd have been in if Vanquis didn't object to him being overseas – he'd have a debt on his credit card, and he'd need to pay this money back in due course.

If Mr D does decide to go back overseas, then Vanquis says it will want to close the account. And Mr D will need to pay the money back. Vanquis will give him two months' notice of account closure, and it has said that it will set up a repayment plan to help Mr D pay the money back then.

I don't yet know if Mr D's account will close, and if so, whether this will cause him difficulties. I can't assume that both these things are going to happen. So I won't make any decision on this, and if Mr D runs into problems in future, he can complain then.

I think that what Vanquis has done, in paying Mr D £100 in compensation, and keeping his account open until November 2020, provides a fair and reasonable outcome on what's happened so far. So, although I know Mr D will be disappointed, I don't think this complaint should be upheld. If Mr D does decide to stay overseas, then he can discuss that with Vanquis at the time. I don't think it would be fair to either side for me to guess what might happen now.

My final decision

I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr D to accept or reject my decision before 6 October 2020.

Esther Absalom-Gough
Ombudsman