

The complaint

Mr M is unhappy that Vanquis Bank Limited suspended his credit card account and then closed it down.

What happened

Mr M raised a fraud claim with Vanquis on 29 June 2020. This was his sixth fraud claim on the credit card account. Vanquis blocked the account to prevent further misuse and then investigated the disputed transaction. It refunded the money to the account but didn't lift the block. And it decided it would then terminate the agreement and close the account as it felt there was too high a risk of fraud.

Mr M wasn't happy with that decision. He said he didn't have a bank account – only a Post Office one – and used his Vanquis card to pay his bills. Vanquis maintained its position. It said Mr M should be able to pay his bills via his Post Office account and that he ought to be able to open a bank account if he wished to. It offered him £35 as a gesture of goodwill.

Mr M brought his complaint to our service as he wasn't happy with Vanquis' answer. One of our investigator's looked into what had happened and felt Vanquis had acted fairly and reasonably. Mr M disagreed and so the case has been 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'm sorry to disappoint Mr M but I'm not upholding his complaint. I can understand why he would like to keep his Vanquis account open and usable. But I can't see that Vanquis has acted unfairly. It is able to choose who it accepts as a customer, just as Mr M is able to choose if he doesn't wish to have an account with a particular provider.

Vanquis closed Mr M's account because of the repeated claims of fraud on his account. I believe that was fair and reasonable. Mr M had raised six fraud claims in a relatively short period of time. So it seems quite clear that his account was at high risk of fraud. Vanquis had reimbursed Mr M on each occasion but understandably didn't want to be exposed to further risk. And so it relied on the account terms and conditions to close the account.

Section B19 of Mr M's agreement confirms that Vanquis may end the agreement at any time by giving not less than two months' notice. I can see Vanquis did give that notice.

It is true that Mr M was unable to use the account any further, even within that two month period, because of the blocks that had been applied. But I believe that was a fair and reasonable course of action for Vanquis, given the apparent fraud risk on the account. And so I don't find it's acted unfairly in either closing the account or maintaining blocks on it.

I can appreciate Mr M may have had further inconvenience in paying his bills after the account suspension and closure. But it is the case that he did have other banking facilities and the ability to apply for a new current account. Vanquis wasn't obliged to keep his account open.

I can see Vanquis did offer Mr M £35 as a gesture of goodwill and he declined to accept this.

I don't believe there's any requirement for Vanquis to pay Mr M any form of compensation as I can't see it's done anything wrong. If it wishes to pay Mr M the £35 now it may choose to do so.

My final decision

I don't uphold this complaint against Vanquis Bank Limited.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr M to accept or reject my decision before 9 September 2021.

Ben Murray
Ombudsman