

Vanquis Bank Limited

DRN-2642518



## **The complaint**

Mr W complains about his credit card with Vanquis Bank Limited. Mr W says he was lent to irresponsibly and is also unhappy with the credit limit increases on the card.

Mr W is being represented by a third party.

## **What happened**

In March 2011 Mr W took out a credit card with Vanquis. It started with a credit limit of £250 and this increased in November 2011 to £500, July 2012 to £1,500, January 2013 to £2,500 and finally in August 2013 to £3,000.

Mr W complained to Vanquis, as he said he was in financial difficulty when he was first given the card. Mr W went on to say that no affordability assessment was completed at each limit increase, and this added to the financial difficulty he found himself in.

Vanquis looked into the complaint but found most of it to be out of time. It said the events Mr W is now complaining about happened over six years ago. And Mr W ought to have been aware of his cause for complaint over three years before the complaint was raised. It said in 2016 when Mr W went into a debt management plan, he would've been aware something had gone wrong with the sale and limit increases.

Vanquis did look into some of Mr W's complaint. Vanquis investigated how Mr W's account had been handled since it was made aware of his financial difficulties. On this point it didn't uphold the complaint. It said it had decreased interest on the card and had also given details of external organisations that could offer Mr W support. It felt that as Mr W had defaults on the agreement he signed, it was fair that this was reported accurately.

Mr W remained unhappy, so his representative brought his complaint to our service.

Our investigator looked into the complaint but also found that most of the complaint fell outside of the timescales that allow us to investigate a complaint. Our investigator found the sale of the card and all the limit increases were outside of the six-year timeframe. He also found that Mr W ought reasonably to have been aware he had a complaint over three years before he complained. Our investigator found the complaint ought to have been made in 2016 when Mr W entered into a repayment plan.

Mr W said he had exceptional circumstances which meant he didn't make his complaint in time. He said he didn't think he could complain in 2016, as he was receiving help from a third-party debt management company. Our investigator considered this point but didn't find Mr W's exceptional circumstances prevented him from raising a complaint sooner.

Our investigator did find we could look at Mr W's complaint about how the account had been handled by Vanquis within the last six years. This point was investigated but not upheld. Our investigator found that interest and charges had been refunded by Vanquis when Mr W

made it aware of his financial difficulty in 2015. It also went on to charge no further interest and didn't default the account - until Mr W stopped making payments in 2020.

Mr W and his representative didn't agree with the investigators view, so the complaint's been passed to me to issue a 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.

Before I can investigate the merits of this complaint or express my thoughts on how best it should be resolved, I must have the power to do so. And that means I need to reach a conclusion on whether this complaint was referred to us within the time limits that apply in our rules.

The general time limits that apply are set out in the "DISP" (Dispute Resolution) rules. DISP 2.8.2R says: "The ombudsman cannot consider a complaint if the complainant refers it to the Financial Ombudsman Service: (2) more than

(a) six years after the event complained of; or (if later)

(b) three years from the date on which the complainant became aware (or ought reasonably to have become aware) that they had cause for complaint. Unless the complainant referred the complaint to the respondent or to the Ombudsman within that period and has a written acknowledgement or some other record of the complaint having been received.

More than six years have passed since the credit card was sold in 2011. I've also found that all of the limit increases are outside of the six-year timeframe. All parties in this complaint agree to this fact. So, what I must decide is whether Mr W were aware, or ought reasonably to have been aware, that he had cause for complaint more than three years before the complaint was made.

Mr W has said that he didn't complain as a debt management company was helping him with his financial difficulties. I've considered this point carefully, but I don't find that prevented Mr W from raising his complaint, or that he didn't have an awareness that something had gone wrong. It was clear at this point in 2016 that Mr W was struggling to repay his card, and I find at this point he ought to have been aware something went wrong with both the sale and the increases, especially given he has told us he was already in debt when the card was sold to him. I also don't find the intervention of the third-party debt company would've prevented this complaint being raised. I say that as they only arranged a lower payment and hadn't actually looked into or supported Mr W with what might have gone wrong. So, an investigation would've still been needed.

So unfortunately, I don't find the events complained about regarding the sale or the limit increase are points our service can consider – as they were brought too late.

As with the investigator, I have found there are points within the last six years that our service can investigate, and I can issue a final decision on. Having considered these, I won't be upholding Mr W's complaint. I'll explain why.

In September 2015 Mr W made a payment arrangement with Vanquis and in September 2016 went into a debt management plan. The plan reduced his monthly payments considerably and at that point Vanquis was accepting a payment of £5.98 a month.

At this point in time Vanquish also stopped adding interest and charges to Mr W's balance - and this is largely in line with what we would expect a business to do once a consumer has notified it of their financial difficulties. Vanquis also put Mr W in touch with various organisations that could support him with his spending.

Vanquis allowed Mr W to continue with the payment plan up until December 2019, when Mr W stopped making payments altogether. At this point Vanquis issued a default. Although it must have been frustrating to be in payment plan for that long to then receive a default. If no payments are received on the account, I'm satisfied Vanquish were fair and within the terms of the account when applying the default.

Given the overall actions of Vanquis and how they handled Mr W's account when they were notified of his financial difficulties, I'm satisfied they treated Mr W fairly and in line with what we would expect.

In summary, I've found Mr W's complaint about the sale and the limit increases to be out of time. I also haven't found Vanquis done anything wrong when dealing with his account after he notified it of his financial difficulties.

### **My final decision**

My final decision is that I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr W to accept or reject my decision before 19 August 2021.

Tom Wagstaff  
**Ombudsman**