

The complaint

Miss P complains Vanquis Bank limited (Vanquis) haven't refunded her the correct amount following the closure of her credit card account with them.

What happened

Miss P says Vanquis wrote to her in July 2020 notifying they would be closing her credit card account. Miss P says Vanquis reason for this was they provided her with a credit card account they shouldn't have. Miss P says Vanquis agreed to refund her in excess of £400 but when they closed her credit card account, she was refunded with less than that and they have used these monies to simply write off the debt. Miss P says she cannot locate the original letter Vanquis sent to her and feels Vanquis have misled her and this has caused her stress and upset.

Vanquis says they have closed Miss P's credit card account and gave her reasonable notice of this. Vanquis says they have no record of offering Miss P the amount she claims. It says they have written off the debt and refunded any interest and fees, closed the account and ensured no record of this appears on her credit file. Vanquis have agreed to pay Miss P £100 by way of compensation and goodwill, for mis-information as to how the refund would be processed.

Miss P wasn't happy with Vanquis's response and referred the matter to this service.

The investigator looked at all the available information but didn't uphold Ms P's complaint. The investigator felt that Vanquis had acted fairly when closing the credit card account and gave sufficient notice to do so and had written off the balance of the account and accrued interest correctly. The investigator couldn't see any evidence to show Vanquis had agreed to pay the £400 plus Miss P refers to and felt the offer of £100 by way of compensation was fair and reasonable in the circumstances .

Miss P wasn't happy with the investigator's view and asked for the matter to be referred to an Ombudsman 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.

Having done so, I have come to the same outcome as the investigator and I will explain how I have come to my decision.

I can see that it would be frustrating and upsetting for Miss P to believe she was due a refund which hadn't been paid. I was sorry to learn Miss P has suffered with health issues and the stress this matter has caused has added to that .

When looking at this complaint I will consider if Vanquis have acted fairly when they closed Miss P's credit card account and if Miss P was due any other monies from them.

What happened here was Miss P was written to by Vanquis in July 2020 who had identified they had made an error in her income verification and would be closing her account in two months' time. In that letter it explained to Miss P they would write off any remaining balances, all interest, fees and charges incurred and remove any record of the credit card account from her credit file.

From the information available to me I can see this was followed up by a letter to Miss P in October 2020 confirming the account was closed and broke down the amount of fees and interest refunded totalling £226.79. Miss P says her representative rang Vanquis in November to complain that Miss P was written to before, saying she would receive around £400 by way of direct credit payment to her.

Miss P says Vanquis have offered her £100 by way of compensation but this isn't sufficient for the inconvenience and stress caused and they haven't been entirely truthful about the amount they agreed to refund her.

The first thing to say here is, Vanquis have acted fairly on closing Miss P's credit card account and provided sufficient notice to do so. I say this because Miss P was given over two months' notice and while Vanquis had not needed to, they have provided a full explanation why the account has been closed. In addition, I can see that Vanquis have refunded interest, charges and fees and written off the outstanding balance on the credit card and ensured Miss P's credit file is unaffected.

Miss P and her representatives point of issue is not that the credit card account shouldn't have been closed, but the fact Vanquis had originally agreed to pay a direct refund to Miss P of around £400 and haven't. In addition, the compensation of £100 offered by Vanquis isn't sufficient for the upset and stress it has caused.

I understand the points made here but from the evidence available to me I can't see that Vanquis have agreed to anything other than close Miss P's account, by writing off the balance and all interest and charges. Miss P nor her representative are able to provide the letter they say Vanquis sent offering around £400 and Vanquis have no knowledge of this either.

It's worth saying here, that Vanquis have acted in a way we would expect to see when they have realised an error in providing credit, based on a mistake in assessing income verification. I can't see they could be expected to do any more than they have here and in addition have agreed to write off the debt in full, which I am satisfied is a reasonable outcome for Miss P. I say this because in normal circumstances if a lender like Vanquis had been found by this service to have provided credit when they shouldn't, we would normally instruct them to simply refund all interest and charges and put the consumer back to the position they would have been before taking out the credit. It would be generally accepted the spending on the card, in normal circumstances, would be considered to have been of benefit to a consumer, like Miss P, so by writing this sum off, Vanquis have been quite reasonable here.

While Miss P says Vanquis agreed to refund her around £400, I can't see anything to support that and I can only make a decision based on the evidence available to me. On balance I can't see why Vanquis would agree to do any more than they already have here. That said, Vanquis have accepted they may have been unclear as to how the refunds would be made and as a gesture of goodwill and in acceptance their service could have been improved, have agreed to pay Miss P £100 in compensation to recognise this.

While Miss P and her representative may not agree I am satisfied this is a reasonable offer by Vanquis and Miss P can still contact Vanquis to arrange this payment, if it hasn't been

paid already .

While Miss P will be disappointed with my decision, I won't be asking anymore of Vanquis here.

My final decision

My final decision is that I do not uphold this complaint

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss P to accept or reject my decision before 21 May 2021.

Barry White
Ombudsman