

The complaint

Mr T complains about his request for a payment holiday on his credit card with Vanquis Bank Limited.

What happened

In April 2020 Mr T was struggling to meet his financial commitments due to the impact of the Covid-19 pandemic. Mr T was out of work and was unsure if he would be excepted for the furlough scheme, so he contacted Vanquis to ask for help.

Mr T has complained that at the point he asked Vanquis for help, he was receiving several text messages to tell him his account payments were overdue.

Mr T has also complained that he was asked several questions about his financial circumstances by Vanquis and replied but got no response. So, Mr T raised a complaint with Vanquis.

Vanquis looked into the complaint and partly upheld it. Vanquis said that although it had an obligation to message Mr T to make him aware that his account was over its limit and a payment was due, it went on to say that it could've acted quicker with the financial support it put in place.

Vanquis back dated Mr T's payment holiday, refunded interest and charges and cleared his credit record for the same period. Vanquis also offered £75 in compensation for the trouble and upset it caused.

Mr T remained unhappy, so he brought his complaint to our service.

Our investigator looked into the complaint and found Vanquis's offer to be fair. She found that Mr T had missed a payment prior to the FCA bringing in the guidance around payment holidays – so Vanquis needed to get a better understanding of Mr T's finances before it agreed the payment holiday. Our investigator went on to find that Mr T had been clear in his communication to Vanquis that the difficulties he was facing were due to the pandemic, so Vanquis should've acted sooner. In recognition of this error, our investigator found the correction of the payment holiday and the £75 offer of compensation fair.

Mr T responded to the investigator's view to say that the offer of compensation hadn't been paid as Vanquis said it would. Our investigator asked for evidence from Vanquis of the payment, which it sent us. Mr T still didn't agree the payment had been made, so the complaint has been passed to me to issue 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've come to the same outcome as the investigator for largely the same reasons.

Vanquis have told Mr T and our service that they could've done better when dealing with Mr T's request for a payment holiday. This doesn't seem to be in dispute here, so I don't find I need to investigate it again. What I do need to make a finding on is whether I think it has resolved the complaint fairly.

Vanquis did ask Mr T several questions relating to his financial commitments and when it didn't receive this information back, it did delay the process of getting Mr T support. I've read through the internal contact notes in great length and I'm satisfied Vanquis were asking these questions in good faith. I say this as it needed to understand that any plan they put in place for Mr T didn't put him in a worse position, as any deferral in payment would've meant the debt would take longer to pay off.

I can understand Mr T's frustration that at the point he had lost his job and was struggling financially, text messages sent from Vanquis reminding him of his monthly payments added to the stress he was already under. But equally I don't find Vanquis have acted unfairly by sending these, as Mr T's account was falling behind, and he wasn't in any kind of plan at this point.

Having said that, Vanquis has acknowledged that it could've put Mr T on a payment holiday earlier. In recognition of its mistake, it has backdated the plan. This is exactly what our service would expect to happen in these circumstances – putting Mr T back in the position he would have been had the mistake not happened.

Vanquis have gone on to compensate Mr T £75 for the trouble and upset the error caused him. Having considered the initial impact of not getting an immediate solution to his financial problems and the time it took to put something in place – I'm satisfied £75 fairly compensates Mr T.

Following our investigator's view, Mr T remained unhappy due to the fact he feels he wasn't paid the £75 Vanquis offered. Our investigator asked for evidence of the payment and Vanquis sent us Mr T's credit card statement. I've checked that statement and I can see the £75 was credited to his account on 04 August 2020. I can also see that three late payment charges for the period of the back dated payment holiday were also refunded.

In summary, although Vanquis could've done better when dealing with Mr T's request for financial support, I'm satisfied it has corrected the mistake and compensated Mr T fairly.

My final decision

My final decision is that I don't uphold this complaint or require Vanquis to increase its compensation amount.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr T to accept or reject my decision before 10 December 2021.

Tom Wagstaff
Ombudsman