

The complaint

Mr O complains Vanquis Bank Limited (Vanquis) have incorrectly processed a chargeback on his credit card account.

What happened

Mr O says in December 2019 he inadvertently made three payments of £140 each to his Vanquis credit card account, rather than the one he intended to make. Mr O says Vanquis told him to contact his bank to arrange a refund, which he did and one payment of £140 was refunded to his bank account, the second was returned to his usable credit and the third taken off the outstanding balance. Mr M says in April 2020 a further £140 was deducted from his Vanquis credit card account after he had settled the full outstanding balance the previous month. Mr O says his bank never requested any further refunds and has this in writing from them, and while there is some balance owing due to a subscription he authorised, he wasn't responsible for the £140 outstanding or any interest and charges relating to that sum. Mr O says he has since been issued with demands for the payment and his credit file has been affected. Mr O says Vanquis are at fault here and they have also offered him £50 for misinformation about the transactions, but in addition he wants Vanquis to reimburse his account with the £140 plus interest and charges and remove any adverse entries on his credit file.

Vanquis says they have done nothing wrong here and have simply acted on the chargeback instructions they received in January and April 2020, and correctly debited his credit card account showing on Mr O's statements in February and May 2020. Vanquis says despite informing Mr O of the amount owed on his credit card account, as this hadn't been cleared they acted correctly when they applied the charges and interest and subsequently advised the credit reference agencies. Vanquis do accept that one of their advisors gave some misleading information about how many payments had been refunded and have apologised for that and credited his credit card account with £50 by way of an apology.

Mr O wasn't happy with Vanquis response and referred the matter to this service.

The investigator looked at all the available information but didn't uphold the complaint. The investigator says that evidence has been provided to show Mr O's bank did request two chargebacks in January and April 2020 relating to the December over payments he made. The investigator says Vanquis have acted correctly on the instructions they were given and can't be held at fault here.

Mr O didn't agree 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 understand it would have been frustrating and upsetting for Mr O to see his credit card account go into default, as a result of an error surrounding a chargeback made on his credit card account. When looking at this complaint I will consider if Vanquis were at fault when they debited his credit card account following a chargeback request.

The first thing to say is the initial mistake of the three payments being made to his credit card account with Vanquis, in December 2019, was of Mr O's making. As Mr O has told this service he intended to make one payment of £140 and not three, due to a misunderstanding on his part, so I can't hold Vanquis responsible for that.

From the information provided to this service, I can see that Mr O's bank's credit card administrator, requested two separate chargeback requests, one on 8 January 2020 and the second on 2 April 2020, copies of these instruction letters have been provided to Mr O by the investigator. It's worth saying these chargebacks were initiated by the sender of the payments, in this case Mr O's bank or their credit card administrator – not the recipient, Vanquis.

From the credit card statements I have seen, these two chargeback instructions mirror the two reversals showing on Mr O's credit card statements dated February and May 2020, so while Mr O may not agree, Vanquis have carried out the instructions sent to them by Mr O's bank, as I would expect. There is no evidence to suggest any other transactions passed through Mr O's credit card account relating to any other chargeback concerning the December 2019 over payment Mr O made. Nor can I see any evidence to support Mr O's view that a third and possibly a fourth chargeback had been acted upon.

What is clear from Mr O's credit card statements, is three payments were received in December 2019 of £140 each, and two payments were reversed in January and April 2020, meaning a net payment of £140 was credited to Mr O's credit card account, which was Mr O's original intention.

I understand Mr O has been told by his bank they never requested the chargeback in April 2020, but he has now been provided with copies of the instructions given to Vanquis to show otherwise. The only mistake I can see Vanquis have made here, is when a member of their staff incorrectly advised Mr O of how many payments had been refunded, but they have apologised for that and paid £50 for the confusion caused by this. I am satisfied this is sufficient.

It follows, while I have some sympathy with Mr O in this regard, given Vanquis haven't made any mistakes here, I can't ask them to refund the interest and charges or reverse any action they may have taken to recoup the monies still outstanding.

While Mr O will be disappointed with my decision, I won't be asking anymore of Vanquis.

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 Mr O to accept or reject my decision before 2 February 2022.

Barry White
Ombudsman