

The complaint

Mr M complains about the way Vanquis Bank Limited handled his credit card during the pandemic.

What happened

Mr M has a credit card with Vanquis and on 19 March 2020 he got in touch and asked for support as he was experiencing financial difficulties. Vanquis told Mr M he wasn't eligible for a payment holiday or credit limit increase and he raised a complaint.

Vanquis responded and refunded late payment and over limit charges applied to the credit card. Vanquis also credited Mr M's account to cover his next minimum payment which meant his next payment was due on 14 May 2020.

Mr M complained in May 2020 after receiving arrears letters from Vanquis. Mr M said a payment freeze had been agreed. Vanquis responded and agreed in June 2020 a three month payment freeze, backdating it to April 2020. That meant, the payment freeze covered April, May and June 2020. Vanquis also apologised for the service provided and paid £50 to Mr M's credit card.

Vanquis sent Mr M a follow up final response as it hadn't commented on mobile app problems he'd experienced previously. Vanquis apologised and paid Mr M £50 for the delay. But Vanquis didn't uphold the overall complaint.

In July 2020 Mr M complained about how long a call had taken and problems with his online banking. Vanquis apologised for the delay and paid £50 into his account. Vanquis confirmed Mr M's online banking facility was working.

In November 2020 Mr M complained that Vanquis had failed to provide reasonable support, in line with government guidance, during the pandemic. Vanquis didn't uphold Mr M's complaint and said it had acted in line with Financial Conduct Authority (FCA) guidance.

Mr M referred his complaint to this service and it was passed to an investigator. They upheld Mr M's complaint and said Vanquis should apply a payment holiday, in line with the FCA payment deferral guidance, retrospectively from April to September 2020 and remove any adverse information reported to the credit reference agencies for May and June 2020. The investigator also recommended Vanquis pay Mr M an additional £50 for the distress and inconvenience caused.

Vanquis agreed but Mr M asked to appeal. As a result, his complaint has been passed to me to make 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.

I've been reasonably brief in setting out the background above as all parties appear to broadly agree about what happened. I can see Mr M has made several complaints about the treatment he received from Vanquis during the pandemic. And I agree with the investigator's view that Vanquis should've provided more comprehensive assistance, in line with the FCA payment deferral guidance.

Under the FCA guidance, consumers could apply for two three month payment deferral periods without impact to their credit file. Vanquis has already accepted the investigator's recommendations and agreed to backdate the payment deferral to July, August and September 2020. That puts Mr M back into the position he would've been in had Vanquis followed the FCA guidance. I'm satisfied that's a fair way to resolve Mr M's complaint.

Vanquis paid £56.96 to cover April 2020's payment and refunded three £12 late payment fees for the months of March, April and June 2020. In addition, Vanquis paid a total of £150 to apologise for the service provided to Mr M. Vanquis agree to pay a further £50 to Mr M to recognise the distress and inconvenience caused by the way it handled his account. Whilst I can see Mr M has been through a difficult time, I'm satisfied the agreed settlement reflects the impact of the issues raised on him and is fair in all the circumstances. As a result, I'm upholding Mr M's complaint.

My final decision

My decision is that I uphold Mr M's complaint and, if it hasn't done so already, direct Vanquis Bank Limited to settle as follows:

- Apply the payment holiday to the account, backdated, so it runs from April to September 2020
- Remove any adverse credit recorded on Mr M's credit file for the months of May and June 2020
- Pay Mr M an additional £50 for the distress and inconvenience caused (if not already paid)

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr M to accept or reject my decision before 1 March 2022.

Marco Manente
Ombudsman