

The complaint

Mrs H complains that Vanquis Bank Limited didn't apply payments to her account after she agreed a payment plan. Mrs H also complains about the level of contact she's received from Vanquis.

What happened

In January 2021 Mrs H agreed a payment arrangement with Vanquis following some financial difficulties. Vanquis agreed to accept £35 a month and stop applying interest to the credit card balance. The payment arrangement was agreed via an online chat facility. Vanquis gave Mrs H instructions on how to make the payments. It said:

"Our sort code is XX-XX-XX and our account number is XXXXXXXX. Your payment can take up to five working days to clear to your Vanquis account. Your reference will be your Vanquis Card number."

A payment was received by Vanquis on 7 January 2021 but didn't include Mrs H's card number. Vanquis says the payment was received from an account that's previously been used to pay another credit card for a third party. As no reference number was included, the payment wasn't applied to Mrs H's account. Instead, Vanquis says it was used to pay the third party's account in line with previous payments made.

Vanquis went on to contact Mrs H about arrears on her credit card and she raised a complaint. Vanquis issued a final response on 27 May 2021 but didn't uphold Mrs H's complaint. Vanquis said Mrs H's payments hadn't included the correct reference number and that she could reclaim them by contacting her bank. Vanquis also said Mrs H had received emails and text messages in line with its terms as payments weren't received as agreed.

Our investigator thought Vanquis had dealt with Mrs H's complaint fairly and didn't ask it to take any further action. Mrs H asked to appeal so her 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 can understand why Mrs H is frustrated at what's happened with her Vanquis credit card. I can see payments have been made from Mrs H's bank account and that they included a reference. But I have to be fair to both parties and Vanquis has supplied evidence from its payment systems. That shows the payments Mrs H made didn't contain her credit card number as a reference. I can only look at Vanquis' actions in this decision. Whilst I understand Mrs H has made payments in line with the payment arrangement agreed in January 2021, I'm satisfied that when they were received no reference was included.

The situation is complicated because the account Mrs H's payments were made from has previously been used to make payments to a third party's credit card. As a result, Vanquis'

payment systems applied them to that credit card. Vanquis says it can't refund the payments but Mrs H has the option of reclaiming them via her bank. I appreciate there is some inconvenience to Mrs H in this approach, but I haven't been persuaded the option is unreasonable in the circumstances.

Mrs H has also complained about the level of contact she received from Vanquis despite agreeing a payment plan. But, as set out above, Vanquis hasn't been able to apply the payments made to Mrs H's credit card. So Vanquis took steps to contact Mrs H to find out why payments hadn't been received as agreed. I understand receiving contact of this nature from Vanquis has caused concerns for Mrs H, but I haven't found it acted unfairly.

Our investigator recommended that Mrs H get in contact with her bank to discuss the reference number and potential to reclaim the payments made. That's an option Mrs H may wish to consider.

I'm sorry to disappoint Mrs H but I'm satisfied Vanquis dealt with her complaint fairly so I'm not telling it to do anything else.

My final decision

My decision is that I don't uphold Mrs H's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs H to accept or reject my decision before 28 April 2022.

Marco Manente
Ombudsman