

The complaint

Mr A complains Vanquis Bank limited (Vanquis) are putting him further in debt by applying interest and charges to his credit card account.

What happened

Mr A says despite having agreed payment plans with Vanquis , it continues to charge him interest and charges to his credit card account and rather than helping him , this is putting him further into debt. Mr A says this has caused his account to default and is causing him stress and anxiety as all he is seeing is his debt increase.

Mr A wants Vanquis to agree to a discounted payment plan to allow him to repay his debt sooner.

Vanquis says it had previously agreed payment plans with Mr A and a further plan was agreed with Mr A at the time of complaint at £10 per month. Vanquis says when Mr A was on these fixed payment arrangements no interest had been charged. Vanquis pointed out Mr A would have been aware of the charging arrangements on the credit card account not only when he applied for the credit card account, but also on his monthly credit card statements.

Vanquis says it has refunded various interest and charges on Mr A's credit card account including a recent refund of £24. Vanquis says it has a responsibility to accurately report its customers activity to the relevant credit reference agencies and feels it has done nothing wrong.

Mr A 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 the complaint. The investigator made clear he recognised matters may have moved on since the complaint was brought to this service but could only respond to the time Vanquis issued its final response letter in August 2021. The investigator felt Vanquis had previously agreed deferred payment arrangements between April and June 2020 and had subsequently refunded interest it had charged from April 2020 and September 2020. The investigator says Vanquis had shown that it had agreed reduced payments arrangements and periods where no interest was charged to Mr A's credit card account.

The investigator says rather than defaulting Mr A in June 2021 it went on to agree a third temporary payment plan to allow Mr A time to seek employment. The investigator felt Vanquis had acted fairly and showed support to Mr A and had provided him with a reasonable period of time to have brought his credit card account up to date. The investigator didn't feel Vanquis were required to stop interest charges indefinitely.

Mr A didn't agree with the investigator's view and asked for the matter to be referred to an ombudsman for 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 won't be upholding this complaint and I will explain how I have come to my decision.

I can understand Mr A has gone through a difficult time financially and that must have been a worry for him.

When looking at this complaint I will consider if Vanquis acted unreasonably when it charged the interest and charges when it did, and if it provided the level of support I would expect given Mr A's circumstances.

The first thing to say is, as pointed out by the investigator in his view, I will only be considering this complaint up until the time Vanquis issued its final response letter in August 2021. I say this to ensure my decision is consistent to the view of the investigator and taking into account Vanquis wouldn't have had the opportunity to respond to any further complaint points Mr A might wish to raise beyond that point in time – I say this as it's possible matters may have moved on since then.

Mr A's complaint centres around the fact that because of the continued interest and charges Vanquis have applied to his credit card account, it is making matters worse for him and increasing his debt, making it difficult for him to reduce or clear his outstanding debt of approximately £600.

While I understand the point Mr A makes here, the terms and conditions of the interest rate and charges were made available to him when he opened his credit card account and are clearly detailed on the monthly statements he would have received. I can see that Vanquis did agree in April 2020 at the time of the Covid pandemic, a payment deferral between then and June 2020. Which is in line with the guidance provided by the Financial Conduct Authority at the time. Following a complaint, I can see it also then agreed to refund interest charged to Mr A's credit card account for this period up until September 2020.

So, it's fair to say Vanquis had shown previous levels of support here. Additionally, Vanquis agreed another fixed payment plan for £10 per month in February 2021 for four months and interest and charges were agreed to be suspended. When this arrangement came to an end, rather than issuing a default as it was entitled to, as Mr A hadn't fully kept to this plan, Vanquis agreed a further extension to the payment plan at the end of July 2021. Mr A made his first payment under this arrangement in August 2021 and then brought his complaint to this service.

From the information I have seen in August 2021 Vanquis agreed as a gesture of good will a £24 refund of charges.

With that in mind given Mr A was reluctant to provide a full income and expenditure profile, I can't say that Vanquis could have done much more than agree to a temporary arrangement until Mr A found suitable employment and it wouldn't be fair of me to ask it to refund all interest and charges, especially given the support it has previously given Mr A, including some periods where interest wasn't charged. With that in mind, I am satisfied that Vanquis have been sympathetic to Mr A's circumstances and have acted fairly.

What is important here is a workable payment plan had been put in place by Vanquis, around the time Mr A complained to this service, and I can't ask much more of Vanquis than

that. If matters have moved on and Mr A feels Vanquis are not providing the level of support he now needs, then that needs to be the subject of a separate complaint for Vanquis to answer.

While Mr A 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 Mr A to accept or reject my decision before 24 October 2022.

Barry White
Ombudsman