

The complaint

Mr M complains about the way that Vanquis Bank Limited (Vanquis) closed his account with no appeal process in place. He would like Vanquis to acknowledge its failings.

What happened

The details of this complaint are well known to both parties so I won't repeat them again here. Instead I will focus on giving the reasons for my 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 reached the following conclusions:-

- I have noted Mr M didn't feel that all his complaint issues have been addressed, although he hasn't specifically stated what he feels was overlooked. So, I think it's helpful to say that even, if I don't refer to all his points, I have considered them but I have concentrated on the crux of the issues in this final decision.
- I appreciate it must have been inconvenient for Mr M to have had his credit limit reduced to £0 just before Christmas. Vanquis' terms and conditions allow it to reduce credit limits where an account balance has been substantially below the current credit limit for a period. In Mr M's case, he hadn't used the card for nearly a year when Vanquis wrote to him to advise of the reduction in the credit limit, so I think Vanquis' actions were within its terms and conditions.
- Vanquis' terms and conditions also allow it to give 60 days' notice to close an account. From what I have seen Vanquis wrote to Mr M on 17 November 2020 giving him the necessary 60 days' notice and telling him it had reduced his credit limit to £0. However, I would agree with Mr M, that reducing his credit to £0 in effect closed his account with no notice.
- I don't agree with Mr M that Vanquis has no appeals process or that it should have one under GDPR. I am not aware of anything in the GDPR that says there should be an appeals process. However, Vanquis stated in its letter to Mr M dated 15 January 2021 that the right of appeal is by way of raising a complaint which is what Mr M did. Vanquis considered his complaint and decided not to reopen his account. That was a business decision Vanquis was entitled to make.
- Vanquis paid Mr M £50 for the delay in responding to him. It has also accepted that it left Mr M's account open and issued a replacement card when it shouldn't have done so. In Mr M's complaint form he said he wanted Vanquis to 'acknowledge its failings' and in this respect I think it has. Additionally, Vanquis has apologised and offered £200 compensation for the inconvenience. I think this is reasonable response
- I have considered if it's appropriate that Vanquis pay more than the £200 compensation

offered given I have found it in effect closed Mr M's account without notice by reducing his credit limit to £0. Mr M has told us he had to borrow money as a result but he hasn't evidenced this, or that he didn't have any other financial means he could access. Also, given he hadn't used his account for nearly a year when Vanquis closed the account, I am not persuaded that, even if there had been a credit limit he could use during the notice period, he would have used it. Taking all this information into account I don't think I have any grounds to ask Vanquis to pay compensation over and above what it has already offered.

My final decision

My final decision is that the Vanquis Bank Limited has made a fair offer.

In full and final settlement of this complaint if it has not already done so, Vanquis Bank Limited should pay Mr M £200 compensation for the distress and inconvenience caused by the way it closed his account.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr M to accept or reject my decision before 21 December 2022.

Bridget Makins
Ombudsman