

The complaint

Mr S is unhappy with the service provided by Vanquis Bank Limited (Vanquis) in relation to his credit card. During the course of events, Mr S has raised several concerns and it has been agreed that under this complaint reference at our service the following matters will be considered in this decision:

- Vanquis' statements do not show pending purchase interest. (This is interest which has not been applied to a credit card account in the current statement period but is accruing on purchases in the background and applied during the next statement period). Mr S complains Vanquis refused to make a reasonable adjustment for him due to his disability, because it would not show this information on his statements. Mr S is concerned he has been overcharged.
- Vanquis did not reach out to Mr S during the Covid 19 pandemic to offer financial assistance.
- During a phone call in October 2021 Vanquis told Mr S an incorrect monthly payment amount which was lower than the minimum he needed to pay.

Vanquis failed to call back when it told Mr S it would.

What happened

Mr S first complained to Vanquis in June 2018 because he believed the interest charged on his account and the minimum payment he needed to make were incorrect. Vanquis responded and explained how it had calculated the interest and why this was correct. It also explained that the way it calculated the minimum payment had recently changed to 3% of the principal balance plus the interest charged for the statement month.

Mr S complained again to Vanquis in November 2021. This time he was unhappy at the amount of interest he was paying, believing he had been overcharged on his September and October 2021 statements. He was also unhappy that the amount of interest he needed to pay changed each month, and at Vanquis not proactively contacting him during the Covid 19 pandemic to offer financial assistance. Mr S added to his complaint that he was given an incorrect upcoming minimum payment amount during a call in October 2021 and that Vanquis hadn't returned his calls as promised.

Vanquis looked into and answered Mr S' various complaint points. Vanquis accepted that it hadn't returned Mr S' calls as it should and credited his account with £75 compensation for the inconvenience. Vanquis did not uphold Mr S' other complaint points about the interest charged on his account, its Covid 19 pandemic communication and the minimum payment amount for October 2021.

Unhappy with the response Mr S got from Vanquis, he brought his complaint to this service. Our investigator considered the complaints. He concluded that we couldn't consider Mr S' complaint point about the amount of interest he needed to pay because Mr S had complained about it in 2018 and he had not referred the matter to us within six months of Vanquis' 2018 final response letter. He did not uphold Mr S' complaint points about Vanquis'

Covid 19 pandemic communication nor the minimum payment amount for October 2021. And he thought the £75 compensation it paid for not returning Mr S' calls was fair.

Mr S disagreed with the investigator and because an agreement couldn't be reached, the case has been passed to me to decide. Before reaching my findings, I asked one of our investigators to clarify with Mr S his complaint point about the amount of interest he was paying. And considering what Mr S said, I asked the investigator to approach Vanquis for comment on Mr S' point about his request for a reasonable adjustment to show pending purchase interest on his statements. The additional information was referenced in my provisional decision and so both parties have had an opportunity to respond once they had chance to consider them.

In my provisional decision I explained that:

'Having reviewed everything, I do not think Mr S' complaint should be upheld. I realise this will be disappointing for him, but I've set out below why I've reached these conclusions.

Mr S' reasonable adjustment request to show pending purchase interest on his statements

I've considered Mr S' complaint point about the amount of interest he needed to pay, but as noted earlier, this was dealt with in 2018. Mr S has clarified his point is that in light of his disability he wishes Vanquis to make a reasonable adjustment for him and include pending purchase interest on his statements – this is something I can consider, as this point is materially different to the complaint raised in 2018.

Mr S has complained that Vanquis has failed to make reasonable adjustments for him. In other words, has failed its duty to make reasonable adjustments under the Equality Act 2010. I've taken the Equality Act 2010 into account when deciding this complaint – given that it's relevant law – but I've ultimately decided this complaint based on what's fair and reasonable. If Mr S wants a decision that Vanquis has breached the Equality Act 2010, then he would need to go to Court.

Vanquis has said that Mr S appears to be unhappy about the way in which interest is applied to its credit card accounts. So, it would not consider this a communication adjustment, more a question of process.

I have carefully listened to the calls between Mr S and Vanquis' agents and also his calls with our investigators. Having done so, I think what lies at the heart of the complaint is the way in which interest is applied – a month in arrears – and the lack of visibility as it builds up.

Vanquis has said that given that its accounts offer a 56-day interest free period on purchases and at the time of producing the account statement, it remains that the account holders may not have to pay any interest, it is not information which is possible to know in advance. Vanquis points to this as industry standard practice.

The Equality Act 2010 explains a reasonable adjustment is needed where a disabled person is put at a substantial disadvantage compared to someone who is not disabled. The approach Vanquis applies to adding interest and showing it on its statements is the same for all its customers. Therefore there is nothing to suggest Mr S is being treated differently to any of Vanquis's other customers, or that he is being substantially disadvantaged when compared to someone who does not have the same disability as he does. So I think Vanquis is treating Mr S fairly.

Having thought very carefully about Vanquis' obligations, I'm not able to uphold this part of Mr S' complaint. I don't think it is possible to provide what Mr S is looking for – a real-time tally of his pending interest. And even if it could be done, Vanquis would then be treating

Mr S differently to its other cardholders in providing such information. In weighing everything up, I am unable to fairly say Vanquis ought to do more in respect of Mr S' request to include pending purchase interest on his statements as a reasonable adjustment to his disability.

I only add that I have looked at some of the statements Vanquis produced for Mr S – examples from 2016, 2020, 2021 and 2022 – and the front pages do feature an information box with an estimate of the next month's interest. But as an estimate it does depend on several unknown factors such as Mr S' future spend on the card and those I mentioned above.

Vanquis did not proactively offer financial assistance during the Covid 19 pandemic

Mr S also complained that Vanquis failed to proactively contact him during the Covid 19 pandemic to offer financial assistance. The regulator, the Financial Conduct Authority (FCA) published guidance to credit card providers about its expectations for lenders during the pandemic – Mr S can find this online by searching for 'FCA credit cards and coronavirus'.

The guidance suggested that the lenders provide information about the support available to cardholders facing financial difficulties on their websites, whilst making alternative access easily available to those unable to go online. But it did not go as far as requiring firms to proactively contact their customers.

I only add that during this time Mr S' statements show that his account was not in arrears and that he regularly paid significantly more than the minimum contractual payment required. So, I am not persuaded it is reasonable for Vanquis to have identified Mr S as in need of financial assistance. And I am unable to fairly say Vanquis ought to have done more or reached out to offer financial assistance. It would still also have been possible for Mr S to contact Vanquis himself if he felt that he required some additional support.

Vanquis told Mr S an incorrect minimum payment amount.

Mr S complained that during a call in October 2021, Vanquis gave him an incorrect minimum payment amount, which he would need to pay on that month's statement. Mr S had called in advance of receiving his statement.

I have carefully listened to the calls between Mr S and Vanquis' agent. They discussed the minimum payment he had needed to make on his previous statement – £140.50 for September 2021 – and the minimum payment he would need to make on his upcoming October 2021 statement (£186.51).

I can see how Mr S may have come to mix up the two figures. But I cannot reasonably say there has been any wrongdoing on Vanquis' part. I note that Mr S' paper statement was already in the post to him and it ought to have clarified any misunderstanding. So I do not uphold this part of Mr S' complaint.

Vanquis failed to call back Mr S

Vanquis has accepted that it failed to return Mr S' calls as it should have done. And it has paid £75 compensation for the distress and inconvenience it caused him. Mr S had to wait eight days before a manager called back but he had been told to expect a call within 48 hours – although he had called in and spoke with Vanquis (but not a manager) in the interim and was happy with the outcome of the call.

Altogether, I find the £75 compensation Vanquis paid for its level of service in keeping with our published guidance for the impact caused by the errors. And so I think this is fair and reasonable compensation for Vanquis' error. I therefore don't require it to increase this.

I am sure my findings will be disappointing to Mr S, and they are not meant to disregard or ignore the clear frustration and upset caused to him, but I hope they are able to offer Mr S some reassurance.'

I asked the parties to the complaint to let me have any further representations that they wished me to consider by 3 February 2023. Vanquis has confirmed receiving the decision but did not wish to make any further representation.

Mr S has also replied and disagreed with my provisional findings. In summary, Mr S asked for a further review of his original complaint points about the obligations on businesses to persons with disabilities; the obligations on Vanquis during the Covid19 pandemic and offering financial support; and more transparent credit-card interest charging.

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 reviewed everything again. Neither Mr S nor Vanquis have provided further evidence or new information for me to consider – Mr S has restated the fundamental complaint points I considered when reaching my provisional findings. So, I've not seen enough for me to alter my provisional conclusions.

My final decision

For the reasons I've explained, I don't uphold Mr S' complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr S to accept or reject my decision before 3 March 2023.

Stefan Riedel
Ombudsman