

The complaint

Miss F complains that Vanquis Bank Limited applied charges and fees to her credit card account in 2020 and did not do enough to help her when she was in financial difficulties.

What happened

Miss F had a credit card account with Vanquis. In April 2020, a freeze that had been active on her account ended, meaning interest, charges and fees would apply again. Miss F says she informed Vanquis she would be unable to make her minimum payments due to financial difficulties. Instead, she offered to pay between £40 and £50 but she says Vanquis declined this and no alternatives were suggested. Miss F says the fees and charges that were applied by Vanquis during this time affected her credit score and she requested that they be removed.

Vanquis issued a final response on 7 May 2021 in relation to the interest and charges that had been applied to Miss F's account between April and September 2020. They confirmed that the interest and charges had been applied correctly and in line with the terms and conditions of the account. So, they did not agree to refund them.

Miss F referred the complaint to our service and our Investigator looked into it. They found that Vanquis had given Miss F six months to refer the complaint to our service following the final response letter in May 2021, however, Miss F did not refer her case to us until 16 months later, so they did not think the complaint about the fees and charges that had been applied to Miss F's credit card account was within our jurisdiction.

As Miss F disagreed, the complaint was passed to me and I issued a jurisdiction decision in which I set out my reasons why I did not think the fees and charges part of the complaint could be considered further, as it had been referred to us too late. However, I said that we could look into Miss F's complaint points around the financial difficulties she faced and that she did not think Vanquis had provided her with enough support.

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.

Miss F says that Vanquis did not offer her enough support when her repayment option plan came to an end in early 2020. She has provided us with screenshots of her communications with Vanquis at the time via text messages. And Miss F feels this shows Vanquis did not adequately help her at that time.

I've reviewed the text messages and can see that Vanquis contacted Miss F when her repayment option plan was coming to an end in March 2020, to see if she needed additional

support. I can see Miss F responded to say that she could only afford between £40 and £50 per month. Following a further discussion, Vanquis explain that Miss F was reaching the maximum entitlement for reduced income and asked if anything else had changed in her circumstances. However, it does not appear that Miss F responded.

A similar scenario occurred when Miss F missed a payment in May. Vanquis asked further questions about Miss F's situation however after a few questions Miss F stopped responding. In July 2020, Vanquis highlighted a missed payment and asked Miss F what had changed that caused her to fall behind however Miss F did not respond. Each time Miss F missed a payment, Vanquis also provided a telephone number for Miss F to call if needed.

Miss F has said that she telephoned Vanquis in August 2020 to discuss her situation and mentioned during the call that she had health issues that were affecting her. As a result, Vanquis asked her for information and evidence about her health issues in order to set up a new repayment option plan that would essentially freeze her account. Her new plan was set up in September 2020.

Having considered Vanquis' actions, I think they treated Miss F fairly in the circumstances. They contacted Miss F when she had missed payments and asked further questions to try and find out more about her financial situation. However, Miss F also had to engage with Vanquis, which I can see she did up to a point. When Miss F stopped responding to Vanquis texts, I think it was reasonable at that time that Vanquis did not pursue communication further. I can see that they gave Miss F alternative methods of communication if she wanted to contact them, which she eventually did. And I note that at that time, Miss F had only missed a few contractual payments, so I think Vanquis' response at that time was proportionate.

Miss F telephoned Vanquis in August and unfortunately the call recording has not been provided. However, Miss F has said that her medical issues were discussed and Vanquis started the process of setting up a new repayment option plan to freeze the account.

On balance, this sounds like the appropriate response based on the information Miss F says she provide in the call. Miss F explained why her financial situation was affected and was asked to provide further evidence of this so that a freeze could be applied to the account. As a result, I don't think Vanquis made an error in the circumstances.

I appreciate Miss F has said she thinks the payment freeze should have been backdated, however, looking at the terms and conditions for the repayment option plan it does not appear this was a standard feature of the policy. As mentioned previously, I think Vanquis took reasonable steps based on what it knew about Miss F's financial situation at each point of contact, so I don't think it has made an error in the circumstances. And I don't direct it to take any further action to remedy Miss F's complaint.

My final decision

I do not uphold Miss F's complaint against Vanquis Bank Limited.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss F to accept or reject my decision before 17 August 2023.

Rebecca Norris

Ombudsman