

The complaint

Mrs G about the service she received from Vanquis Bank Limited when she requested to close her account.

What happened

Mrs G contacted Vanquis to pay off her balance and close her account. She paid the balance and asked Vanquis to confirm the closure in writing once it had been done.

Mrs G then received calls chasing payment and then a letter requesting payment of £1.10. She called Vanquis to pay this and again asked for confirmation that her account was closed once the payment had been cleared.

Mrs G didn't receive a letter confirming that her account was closed so she contacted Vanquis. She was advised that the previous agent shouldn't have promised her a letter as this wasn't part of Vanquis's process.

Mrs G then spoke to a different agent in the complaints department who said the previous information was incorrect and that a closure letter and compensation cheque would be sent to her.

Mrs G received a final response letter but no account closure letter and no cheque.

Mrs G called Vanquis again and received the closure letter and a cheque for £25.

Mrs G remained unhappy and brought her complaint to this service. She wants compensation for the wasted time and inconvenience she's experienced.

Our investigator upheld the complaint. She said she didn't think Vanquis had treated Mrs G fairly because there had been repeated small errors which had taken effort from Mrs G to put right, which had caused her distress and inconvenience. The investigator said that Vanquis should pay further compensation of £125.

Vanquis didn't agree. It said it had already acknowledged that it should've advised Mrs G when she called on 18 May of the possibility of residual cash interest being applied to the account. It said this interest was applied correctly and in accordance with the terms of then account. Vanquis said that Mrs G hadn't requested an account closure letter when she called on 14 July and said that no letter had been promised. Vanquis said there was no reason for Mrs G to call again chasing an account closure letter (which was not standard process) but said that to resolve the complaint a letter confirming account closure and a cheque was sent.

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.

The essence of Mrs G's complaint is that she was told on the call dated 18 May 2023 that

her account would be closed and wasn't told that she would receive a further statement where interest would be added and that she would need to make a further payment. As well as this, Mrs G is unhappy that she had to keep contacting Vanquis to try and understand what was happening.

I've listened to the calls provided by Vanquis. I'll summarise what I think are the important points from these:

During the call on 18 May 2023, Mrs G was told that she would receive a statement confirming that the payment had been made. But she wasn't told that there would be a cash interest charge applied to the account, and that the next statement would show that a further payment would need to be made before the account could be closed.

During the call on 15 June 2023, Mrs G asked why there was a further payment due on her account as she thought her account was closed following her payment on 18 May 2023. Although the agent tried to explain what had happened, Mrs G was notably distressed on the call and said she wanted to make the payment and close the account. The agent advised Mrs G that she would receive a final statement.

Mrs G called Vanquis because she hadn't received a letter confirming the closure of her account. During the call on 14 July 2023, Mrs G was told that a letter confirming closure of the account couldn't be sent by post. This caused Mrs G distress as she didn't have an email address which she could provide to Vanquis.

During the second call on 14 July 2023 (to the complaints team) Mrs G was advised that she'd been given incorrect information on the previous call and that a closure letter could be sent to her by post. The complaints handler told Mrs G that a closure letter and cheque for £25 would be sent.

Mrs G called Vanquis on 31 July 2023 because she hadn't received the account closure letter or the cheque. I haven't been able to listen to this call, so I've relied on what both Mrs G and Vanquis have said. Vanquis told Mrs G that it didn't know why the account closure letter hadn't been sent. It said the cheque would be sent separately.

Having reviewed the calls, I agree with the investigator that Vanquis hasn't treated Mrs G fairly. There have been several errors and I don't think the sum of £25 compensation reflects the impact that these errors had on Mrs G.

The errors made by Vanquis were:

1. Failing to tell Mrs G that following her payment and request to close the account, there would be a cash interest charge applied to the account and that a further payment would be required. Mrs G was left with the impression that she done everything she needed to do to settle and close the account, so it came as a shock when she received a statement asking her to make a further payment. Mrs G then had to spend time calling Vanquis to make the further payment.

2. Giving Mrs G incorrect information regarding being unable to provide the account closure letter by post. This caused Mrs G distress and upset.

3. Failing to send the account closure letter and cheque within a reasonable time. This meant that Mrs G had to call Vanquis again to chase this up.

The errors were made over the course of several weeks which meant that Mrs G was caused ongoing distress and inconvenience. She's explained to this service that she suffers

from anxiety and that the difficulties she experienced having the account closed caused her distress.

Taking everything into account I'm persuaded that Vanquis should pay further compensation to Mrs G in recognition of the errors made and the impact these errors had on Mrs G.

Putting things right

To put things right, Vanquis Bank Limited must pay further compensation of £125 to Mrs G.

My final decision

My final decision is that I uphold the complaint. Vanquis Bank Limited must pay further compensation of £125 to Mrs G.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs G to accept or reject my decision before 3 April 2024.

Emma Davy
Ombudsman