

The complaint

Mrs K has complained that Vanquis Bank Limited treated her unfairly and blocked her account.

Mrs K has at times been represented in bringing her complaint. But for clarity, I'll refer to all submissions made on her behalf as having been made by her directly.

What happened

Mrs K has a credit card account with Vanquis, which was blocked. She's explained that on her card application, she'd disclosed mental health issues, and that the card was blocked because of this. She then had to spend considerable time sorting things out.

Vanquis said that it had put a temporary block on the account, because it had been made aware she may need some extra support. It had tried to contact her about this by phone on 22 May 2023, then by text. It didn't hear back and no further attempts were made to contact her, before the block was placed on the account. It accepts that it should have made further call-back attempts, and offered Mrs K £100 compensation in recognition of this.

Mrs K didn't think this was fair, and referred her complaint to our service.

One of our investigators looked into what had happened. He could see that Mrs K had been caused a lot of upset, and was satisfied that Vanquis should have made further attempts to contact her before placing a block on the account. He thought that the compensation offered should be increased to £200.

Vanquis agreed. Mrs K disagreed. She feels that the block was applied because of her mental health issues, that she was unlawfully discriminated against, and that the compensation should be increased.

The complaint's now been passed to me.

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.

First, I need to explain that I can't make a finding on whether or not Vanquis is in breach of the Equality Act 2010. Only a court can do this. But, I can take it into account when considering whether or not Vanquis has treated Mrs K fairly. So, I've carefully considered Vanquis's actions, in light of Mrs K's health concerns.

I'm satisfied that when Vanquis was made aware that Mrs K may need extra support, including possibly with reading, it did the right thing in trying to contact her about this. This was to ensure it was meeting her needs, and that she understood the written terms and conditions of the account. Vanquis rightly has specific support in place for such situations. And, because it wasn't able to contact her, it blocked the account temporarily. Again, I think this is reasonable, because it wanted to ensure she knew the terms and conditions before

using the card (and thereby accruing debt). So, I think Vanquis was trying to make reasonable adjustments, to ensure its customer's needs were met.

However, where I think things went wrong, causing Mrs K significant distress, was in blocking the account before making further attempts at contact. Given it knew she may have difficulties reading, the text message didn't likely serve a useful purpose. So, Vanquis only made one real attempt at contacting Mrs K, which was the failed phone call, before blocking (or, perhaps more accurately, not activating) the account.

In order to resolve things, Mrs K called Vanquis four times. And, despite her first call being on 27 July 2023, it wasn't until 22 August that the account was activated. And during this period, Mrs K had three transactions declined, further adding to her distress.

I'm satisfied that Mrs K suffered distress and inconvenience, which was made considerably worse by the health problems she faces – of which Vanquis was aware. I don't take Mrs K's concerns lightly. So, I've thought about what I think is a fair sum in compensation to reflect what happened. Having done so, I agree that £200 is fair. I think it's a significant sum, and in line with other awards made by our service. I know Mrs K will be disappointed by this, but overall, I think it's appropriate in all of the circumstances.

Putting things right

To put things right, Vanquis should pay Mrs K £200 compensation.

My final decision

It's my final decision to uphold this complaint. I require Vanquis Bank Limited to pay Mrs K £200 compensation.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs K to accept or reject my decision before 20 August 2024.

Elspeth Wood
Ombudsman