

## **The complaint**

Mr V complains that Vanquis Bank Limited applied unfair charges to his account. He doesn't think the offer of compensation provided is sufficient.

## **What happened**

Mr V made a payment overseas in sterling and says he was told that this wouldn't incur any charges. However, when he received his statements, he said that £103.18 of advance fees had been charged. He was then charged £32.92 in interest which he says shouldn't have been applied and incurred an additional charge of £65.38. He raised a complaint.

Vanquis issued a final response letter dated 7 February 2024. It said that Mr V attempted a transaction on 29 November 2023 which was flagged by its security team. Mr V called Vanquis to have the block removed and at the same time asked if he would be charged any extra fees for this transaction. The agent said he wouldn't. The transaction was processed, and Mr V was charged a cash advance fee of £103.18. Mr V contacted Vanquis about this fee on 8 December and was wrongly told this was for a cash withdrawal. Mr V then asked to speak to a manager and was told the manager would call back on 11 December, but Vanquis said it didn't have evidence that this happened.

Vanquis apologised for providing incorrect information and said feedback had been provided. It offered Mr V £100 compensation for the issues he experienced.

Mr V didn't accept that £100 was enough as he said he had incurred fees of £201.48 after being wrongly advised by Vanquis. He wanted all fees and charges refunded along with £100 additional compensation for having to deal with this issue over a number of months.

Following Mr V's referral of his complaint to this service, Vanquis put forward a settlement offer which was to refund the £103.18 fee Mr V was charged in addition to the initial offer of £100 compensation. Our investigator thought this was a fair offer. Mr V didn't accept the offer and put forward a counteroffer. Vanquis didn't agree to Mr V's request.

As a resolution hasn't been agreed, this case has been passed to me, an ombudsman, to issue a 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.

When making a decision I take all relevant rules and regulations into account, but my decision is based on what I consider fair and reasonable given the unique circumstances of the complaint.

Vanquis acknowledged that it provided Mr V with incorrect information about the charges that would be applied to his transaction. It has also accepted that there were other service issues when Mr V contacted it about the charges. It initially offered to pay Mr V £100

compensation for the service issues he experienced and has since increased this to £150. It has also said that the cash advance fee of £103.18 would be refunded. I have considered whether I find this a reasonable resolution to this complaint.

The transaction Mr V made was considered to be a cash transaction and in line with his account terms and conditions, the transaction was subject to a 3% cash transaction fee and interest was calculated daily on the transaction amount from the date the transaction took place. This was the reason for the initial £103.18 cash advance fee and the £32.92 and £65.38 cash interest charges applied to Mr V's account on the 7 December 2023 and the 7 January 2024 respectively (I note a further £1.62 cash interest was charged on 7 February, but Mr V has said this was refunded in his March statement). As Mr V made a cash transaction, and the charges were applied in line with the account terms I cannot say that the charges were applied incorrectly.

However, Vanquis has accepted that Mr V was told there wouldn't be charges applied to this transaction. While the charges for cash transactions are set out in the monthly statements, I think it fair that Mr V would have relied on the information he was told when he asked Vanquis about any charges on his transaction. When incorrect advice is given, we consider what would have happened had the correct advice been provided (rather than require the business to act in accordance with the incorrect advice). In this case, I cannot say for certain whether Mr V would have still gone ahead with the transaction had he realised the charges that would be applied. But I note he had actioned the initial transaction and it was when a fraud check took place that the incorrect information was provided, suggesting that Mr V wanted to go ahead with the transaction before he was told incorrectly that no charges would be applied.

As Vanquis has agreed to refund the £103.18 fee, I have considered whether the additional £150 compensation is reasonable given the other charges Mr V incurred and the service he received. As Vanquis acknowledged the issues, said feedback would be provided and offered compensation, I find that it did take reasonable action in response to the issues raised, and I have taken this into account when considering the amount of compensation. While I appreciate that Mr V may not be happy with my decision, taking everything into account, I find the refund of the £103.18 fee plus £150 compensation is a reasonable response to this complaint.

### **My final decision**

My final decision is that Vanquis Bank Limited should as it has offered (and to the extent this hasn't already happened) refund Mr V the £103.18 transaction fee and pay him a total of £150 compensation.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr V to accept or reject my decision before 18 September 2024.

Jane Archer  
**Ombudsman**