

The complaint

Mr C complains Vanquis Bank Limited has made it unreasonably difficult for him to amend his contact details with respect to the savings he holds with the bank.

What happened

Mr C holds fixed-term savings products with Vanquis. In late 2023, he began experiencing issues with its online service.

He needed to update his email address. But when he logged in to do so, the website prompted him to change his password. Vanquis' prompt insisted he couldn't recycle his old password. Mr C did not wish to update his password, but this prevented him from accessing his accounts online. As a result, he was unable to update his email address.

Mr C tried calling Vanquis for support with these issues, but having waited on hold for some time, he wasn't able to reach anyone. He also emailed the bank, asking for its assistance. But he didn't hear back from it right away. Mr C complained to Vanquis. He felt the bank had rendered its service channels inaccessible to him, and he should be free to withdraw his money and leave as a result.

Vanquis answered his complaint to say:

- For security, it insisted on customers periodically changing their passwords.
- Mr C could update his email address by letter if he wished.
- It'd been exceptionally busy when Mr C had contacted it, which delayed its response.
- It felt its overall service could've been better, so it offered £50 by way of an apology.

Mr C wasn't happy with Vanquis' response, so he referred the matter to our service.

Our investigator wasn't persuaded Vanquis needed to take further action. They pointed out that firms like Vanquis had the discretion to decide for themselves what processes and security they imposed on their customers. And that nothing Vanquis had sought to impose on Mr C felt unfair or unreasonable in the circumstances. They endorsed Vanquis' offer of £50 as being a fair means of settling the complaint.

Mr C did not accept our investigator's opinion. Amongst other things he argued that:

- If he'd known at the outset he'd have to periodically change his password, he wouldn't have opened any accounts with Vanquis.
- The bank ought to be capable of accepting his request to change his email address via email, without the need for him to post any information to it.
- Because of what he perceives as the bank's failures, it's reasonable that he should be allowed to divest his money away from Vanquis.

As our investigator's opinion was not accepted, the matter's been referred 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.

When deciding this matter, it's within my gift as an ombudsman to address only what I consider to be the crux of a complaint. I hope therefore that neither party will consider it a discourtesy that I've not referenced every argument or piece of evidence that's been submitted in the course of our investigation.

It strikes me that had Mr C updated his password when he was prompted to, none of the subsequent issues raised in his complaint are likely to have come to pass. So I've begun by considering the fairness of Vanquis' decision to impose this requirement on Mr C.

As a regulated firm, Vanquis has a number of obligations to its customers. Of significance in Mr C's case, is it's required to arrange adequate protection for any assets it holds and implement systems and controls that protect it against fraud. These obligations aren't prescriptive, in that they don't require firms to implement a specific system that functions in a precise way. Rather, firms are empowered to interpret the regulations for themselves and adapt the services they provide accordingly. For this reason, it's not unusual for banks to implement processes that look and feel different to one another.

Here, Vanquis insists on its customers periodically updating their passwords. I can understand why, mindful of its obligations, Vanquis would choose to impose this as part of a reasonable and proportionate interpretation of the obligations I've referenced above. From Vanquis' perspective, there are risks associated with passwords remaining static for long periods of time. Forcing customers to periodically amend their passwords has the potential to mitigate this risk. So whilst I accept it is a modest inconvenience to Mr C, I'm not persuaded it is unfair of Vanquis to require him to change his password. It's my view that doing so, forms part of how Vanquis is reasonably choosing to interpret its obligations to protect its customers' savings.

In my opinion, it's not significant that Vanquis has omitted to include the password requirement in its general terms and conditions. Banks are expected to balance their requirement to meet their customers' information needs with their obligation to communicate in a way that's clear, fair and not misleading. Accordingly, it wouldn't be practical or necessary to include every one of the bank's policies and procedures in its customer facing literature. As such, I don't think Vanquis treated Mr C unfairly by failing to mention he'd have to periodically change his password, when he applied for savings products with the bank.

As a result of my findings here, it follows that I am not persuaded it would be fair to uphold the remainder of Mr C's complaint. Mr C chose not to engage with Vanquis' reasonable requirement to update his password. In doing so, it's my view that he precluded himself from accessing his accounts online and enabling himself to update his email address in the most straightforward manner available to Vanquis' customers.

It's unfortunate Vanquis was as busy as it was when Mr C called to report this issue. He's explained the bank's automated message advertised call waiting times of around 25 minutes, but that he wasn't prepared to wait for more than around 7 minutes. Ideally, all banks would be in a position to answer calls from their customers quickly. But I think it's inevitable there will be occasions where demand will outstrip capacity. Crucially in this case, the telephone was not the only means of interacting with Vanquis. Had Mr C been willing to update his password, he'd have achieved his goal without needing to wait on the phone. In the circumstances, I don't think Vanquis treated Mr C unfairly by managing its phone lines in the way that it did.

I note that Vanquis refused to change Mr C's email address off the back of an email he sent the bank from a different address. This doesn't seem unfair or unreasonable to me. I've already mentioned the broad obligations the bank has to protect Mr C's accounts. And in the circumstances, I think the options Mr C was given for how he could go about updating his email address were clearly explained, done with security in mind, and fair overall.

Mr C believes that with everything that's happened, he should be free to leave Vanquis and take his money with him. The findings I've made above lead me to disagree with Mr C here. I've reviewed the terms of Mr C's account online and, save for in exceptional circumstances, he's unable to make withdrawals during the fixed-term of the savings products he holds. I do not consider the circumstances Mr C has complained about to be exceptional, and so I'm not persuaded Vanquis has unfairly prevented Mr C from taking his money elsewhere.

Vanquis has said that in its own opinion, it could've provided Mr C with a better service when he got in touch to report the issues he'd perceived. It's offered him £50 as an apology for this. Having reviewed the correspondence between Mr C and Vanquis, I think this offer is fair and not something I'm persuaded should be increased given the findings I've made above.

My final decision

My final decision is that I uphold this complaint in part. Vanquis Bank Limited should pay Mr C £50 if it has not already done so. I do not require the bank to take any further action with respect to this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr C to accept or reject my decision before 27 June 2024.

Marcus Moore
Ombudsman