

The complaint

Mr M is unhappy that Vanquis Bank Limited ('Vanquis') didn't stop him from exceeding his credit card limit and took a long time dealing with his complaint.

Mr M would like Vanquis to put something in place to stop their customers exceeding their credit limit.

What happened

In February 2024 Mr M made a transaction on his credit card, which took him over his credit card limit by 21p. Mr M later paid 21p to his account, which brought his balance back within his credit limit.

Mr M was concerned that he'd been allowed to exceed his credit limit and was worried this would happen again. He complained to Vanquis that they should have something in place to prevent customers from doing this.

Vanquis rejected Mr M's complaint, saying that they wouldn't put anything in place to stop Mr M exceeding his credit limit as Mr M was responsible for managing his account. Vanquis said Mr M hadn't been charged an overlimit fee because he'd made a payment to bring his balance within his credit limit before his next statement had been produced.

Mr M referred his complaint to the Financial Ombudsman Service, setting out how this matter had caused him a great deal of upset and worry and it had taken a long time to get a response from Vanquis.

In response, our investigator set out the limits of what the Financial Ombudsman Service can do. He said we couldn't look into the time Vanquis took to deal with Mr M's complaint, nor could we ask Vanquis to implement measures to stop Mr M exceeding his credit limit. Our investigator concluded that Vanquis had acted fairly towards Mr M.

Mr M disagreed and said Vanquis shouldn't be accepting transactions on his account that would take him over his credit limit, as this defeated the point of having a limit. The matter has therefore come to me to decide.

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.

I've taken into account any relevant law and regulations, the regulator's rules, guidance and standards, codes of practice and (where appropriate) what is considered to have been good industry practice at the relevant time.

Having done so I've decided not to uphold Mr M's complaint for broadly the same reasons as those reached by our investigator. I'll explain why.

I think it would be helpful to set out that there are limits to what the Financial Ombudsman Service can do.

The Financial Ombudsman Service is an alternative dispute resolution service set up to resolve individual complaints based on what is fair and reasonable in the circumstances of each case. We do not punish or fine businesses, or request that businesses change their practices or processes, as these are considerations for the Financial Conduct Authority.

This means I can't ask Vanquis to put something in place to stop their customers from exceeding their credit limit.

I'm also unable to consider Mr M's concerns to do with the length of time Vanquis took to look into and respond to his complaint, because matters to do with a firm's complaint handling are not something I have the power to look into, under the rules the Financial Ombudsman Service follows.

What I can consider is whether Vanquis treated Mr M fairly and reasonably when he exceeded his credit limit.

The terms and conditions of Mr M's account say:

"You can only borrow up to your credit limit amount and you must not go over it. If you go over it, you'll need to repay the amount you owe above the credit limit. You may also have to pay an over limit fee."

The terms and conditions are clear that it is Mr M's responsibility to manage his account. I recognise Mr M expected Vanquis to do more to prevent him exceeding his limit, and that he'd find a 'hard limit' helpful. But as I've said above this is not something I can require Vanquis to do, under the rules I follow.

I'm aware that Mr M has been able to check his balance and make payments to his account through the Vanquis app. When Mr M exceeded his credit limit, he paid enough money back into his account to correct this reasonably quickly, which was in line with his obligations under the terms and conditions of his account.

As Mr M paid 21p before his next credit card statement was produced, Vanquis did not charge Mr M an overlimit fee on this occasion. I think this was fair in the circumstances, given Mr M had quickly repaid the over limit amount.

I'm sorry to hear Mr M's felt worried about going over his limit again. In their response to Mr M's complaint, Vanquis suggested Mr M could avoid this by checking his account regularly and leaving a buffer of available credit on his account. Vanquis suggested Mr M set up a regular payment like a direct debit to help him manage his account going forwards and invited him to contact them. I think these were reasonable and helpful suggestions to make to Mr M, in the circumstances.

In conclusion, I am of the view that Vanquis have treated Mr M fairly in the circumstances of this complaint, and I don't ask them to take any action here.

If Mr M is concerned about making payments towards his account going forwards, then he may wish to contact the Money Advice Service (www.moneyhelper.org.uk) who are a free and independent source of help regarding money matters.

My final decision

My final decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr M to accept or reject my decision before 3 January 2025.

Clare Burgess-Cade
Ombudsman