

The complaint

Mr K complains about charges applied to his credit card by Vanquis Bank Limited.

What happened

Mr K had a credit card with Vanquis that was closed at default due to missed payments in 2014. Before the credit card was closed, Vanquis applied overlimit and late payment fees to the account when payments weren't made on time or the balance exceeded Mr K's credit limit. In addition, while Mr K had the credit card, Repayment Option Plan charges were debited from the outstanding balance each month.

The credit card was closed in 2014 and ultimately sold to another business. In 2016 and 2019 Vanquis reviewed the closed credit card and agreed to issue refunds in relation to the Repayment Option Plan payments Mr K was charged while his credit card was open. The refunds were forwarded to the new credit card owner to reduce the outstanding balance.

Earlier this year, Mr K complained about charges applied to his credit card and Vanquis issued a final response on 10 July 2024. Vanquis confirmed the Repayment Option Plan payments had already been refunded and that there was no record of an offer of a refund in 2023. Vanquis didn't uphold Mr K's complaint.

An investigator at this service looked at Mr K's complaint but wasn't persuaded Vanquis had made a mistake or treated him unfairly. The investigator looked at the overlimit and late fees Vanquis applied to Mr K's credit card but didn't find anything that showed he'd been unfairly charged and didn't uphold his complaint. Mr K asked to appeal, so his complaint has been passed to me to make 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.

I'm aware I've summarised the events surrounding this complaint in less detail than the parties involved. No discourtesy is intended by my approach which reflects the informal nature of this service. I want to assure all parties I've read and considered everything on file. I'm satisfied I don't need to comment on every point raised to fairly reach my decision. And if I don't comment on something, it's not because I haven't considered it. It's because I've focused on what I think are the key issues. My approach is in line with the rules we operate under.

I've looked at the overlimit and late payment fees applied by Vanquis to Mr K's credit card in 2013 and 2014, before it was closed. I note that Mr K's account fell into arrears after October 2013's payment was made. Another payment was made in January 2014 but no further payments were received after that. Charges were applied to Mr K's credit card until April 2014 and the account was closed a short time later. I'm sorry to disappoint Mr K but I'm satisfied the late and overlimit charges were fairly applied by Vanquis and reflected the arrears on his credit card before it closed.

I note Mr K was also charged regular interest. But that forms part of the credit agreement for his credit card so I'm unable to agree Vanquis made a mistake by doing so.

Whilst Mr K hasn't specifically asked us to look at the Repayment Option Plan payments he made, as noted above, they were all refunded to the outstanding credit card balance by 2019.

Mr K's told us charges have been applied to the balance of his Vanquis credit card more recently but I haven't seen any evidence that supports that claim. And Vanquis sold the account and outstanding balance to a new business in 2014. As a result, any charges that may have been applied to the account balance from 2014 onwards wouldn't be the responsibility of Vanquis but the business that has owned the account since 2014.

I'm very sorry to disappoint Mr K but as I haven't seen evidence that shows he's been unfairly or incorrectly charged by Vanquis I'm not upholding his complaint.

My final decision

My decision is that I don't uphold Mr K's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr K to accept or reject my decision before 30 January 2025.

Marco Manente
Ombudsman