

The complaint

Mr W complains about the actions Vanquis Bank Limited took when he entered into a repayment plan with it for his credit card account.

What happened

In October 2023, Mr W got in contact with Vanquis because he could no longer afford to make the minimum repayments on his credit card.

It was agreed that Mr W could make a repayment of £1 per month, however he says he was told at this time that arrears would still build on the account. Mr W also says he was told that he wouldn't receive further contact from Vanquis and that interest and charges would stop on the account.

Mr W says he received misleading information from Vanquis. He says that interest and charges continued to build on the account, and he says that he continued to receive contact from Vanquis that amounted to harassment. He adds that he was treated unfairly during the calls he had with Vanquis when he set up the repayment plan – he said its agents were rude to him and they provided him with wrong information during the call.

To put things right, Mr W would like Vanquis to apologise to him and to pay him compensation for the trouble and upset caused.

Vanquis replied to Mr W's complaint. It said that it hadn't applied any charges to Mr W's account, and it couldn't see any evidence of where it told him he wouldn't receive any contact from it. Vanquis explained that it is required to send statements and a notice of default, and it couldn't see that it had sent him any other correspondence outside of this. Vanquis did however notice that it hadn't initially raised a complaint for Mr W and so it paid him £50 to compensate him for this.

It also responded to Mr W's concerns about a payment of £73.13 that was collected from his current account to pay his Vanquis account. This response said that it couldn't dispute the payment until it had cleared on his account. And it explained that if he didn't contact the company who collected the payment first, he might lose his chargeback rights. It paid Mr W £25 for some incorrect information he received during a phone call.

An Investigator considered what both parties had said but they didn't think Mr W's complaint should be upheld. The Investigator explained that this service wouldn't be able to consider Mr W's complaint about how Vanquis handled his complaint – because this isn't a regulated activity. They also explained that they hadn't seen any evidence of Vanquis applying interest or charges to Mr W's account after it agreed not to. And they explained that Vanquis were required to send the letters they did.

Mr W didn't agree with the Investigator's view, and so the complaint was passed to me to decide on the matter.

More recently, Mr W has raised concerns that Vanquis have sold his account to a debt

purchaser – and it sent the letters about this to his mother's address instead of his.

I previously issued a provisional decision on this case. It was my intention to come to a different outcome to the Investigator, and so I wanted to give both parties the chance to respond before I came to my final decision on the matter.

I have copied my provisional findings below, which also forms part of this final decision.

"I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint."

I think it's important to firstly explain I've read and taken into account all of the information provided by both parties, in reaching my decision. I say this as I'm aware I've summarised Mr W's complaint in less detail than he has. If I've not reflected something that's been said it's not because I didn't see it, it's because I didn't deem it relevant to the crux of the complaint. This isn't intended as a discourtesy to either party, but merely to reflect my informal role in deciding what a fair and reasonable outcome is. This also means I don't think it's necessary to get an answer, or provide my own answer, to every question raised unless I think it's relevant to the crux of the complaint.

I have noted the crux of Mr W's complaint to be the below points:

- *Interest and charges have continued to be applied to his account.*
- *Letters have been sent to him, after Vanquis told him they would stop contact.*
- *A payment of £73.13 was collected from Mr W's current account when it shouldn't have been.*
- *Notice of Assignment (NoA) letter sent to the wrong address*
- *Debt sold to a debt purchaser*
- *Customer service issues from when Mr W contacted Vanquis by phone to set up the repayment plan.*

I have considered the elements of Mr W's complaint this service can consider below.

Interest and charges

I've looked at the statements provided by Mr W. These don't show that any interest or charges have been applied to his account since Vanquis said it wouldn't. The statements do show what the monthly interest rate is, but no interest (or other charges) have been applied to the balance of Mr W's account.

I can see that Mr W was sent an annual statement in January 2024. This does show that interest had been applied to his account over the course of the previous year. But these interest charges relate to interest that was applied prior to Vanquis agreeing that it would stop.

I note that Vanquis told Mr W that arrears would continue to build on his account. Arrears are where the account becomes overdue because the monthly minimum repayment hadn't been met. These aren't charges, but just the amount that the account is overdue by. The minimum payment due was included on the statements Mr W received, but this isn't a charge, it is the minimum amount due.

I can't see that Vanquis has added charges or interest to Mr W's account after it said it wouldn't. So I don't uphold this part of Mr W's complaint.

Letters sent to Mr W while he was in an arrangement

I haven't been able to obtain a copy of the call recording where Mr W set up the repayment plan – so I don't know what Vanquis told Mr W about what communications he would receive from it.

That being said, Vanquis were still required to send Mr W information about his account, including statements, notice of arrears and default notices while he was on the plan. So, I can't fairly conclude that Vanquis has acted unfairly or unreasonably here, and I don't think that the contact Vanquis had with Mr W following the plan was excessive.

A payment of £73.13

On 15 February 2024, a payment of £73.13, was collected from Mr W's current account to pay his Vanquis account. Mr W says he didn't make a payment for this amount, and that it should have collected £1 as per the arrangement he had. Mr W says it took a lot of effort for him to sort this matter out with his bank.

Vanquis say the payment was made by debit card, and so it could have refunded the payment if Mr W had asked it to, but it received no contact from him. It also provided evidence to show that the payment was collected and reversed on the same day. But it said it wouldn't be able to say how long the payment would take to show back in Mr W's account, as it would have been up to his bank.

I know Mr W feels strongly about this point, he's explained to me that he spent a lot of time sorting the matter with his current account provider. He's also said the payment wasn't reversed on the same day. He explained that the situation had a financial impact on him as the money was set aside for him to buy groceries.

It really is very unclear what happened here and why £73.13 was collected instead of the £1. I find it unlikely that Mr W would have initiated this payment himself, given that he could only afford £1 and the funds were set aside for groceries. So, I find it more likely that the higher payment was collected as a result of something Vanquis has done. Which has resulted in further financial strain to Mr W.

Vanquis has said that it could have refunded the payment – but it didn't receive any contact from Mr W about it. Mr W has provided this service with what appears to be a copy of a final response Vanquis sent to Mr W on the matter. It appears that Mr W did contact Vanquis, when the payment was pending. The letter suggests that Mr W was told he needed to contact his bank to sort the matter out first.

I agree that Vanquis was probably right when it initially spoke to Mr W – and let him know that it couldn't do anything about the payment until it had gone through. But it doesn't seem that Mr W was provided with the option of contacting it again once the payment had gone through so it could refund it. Based on what Mr W has said, it took a lot of effort to get the funds back in his account, and that this took too long. All of which could have been avoided if the correct amount had been collected. I think Vanquis needs to put things right for Mr W here, however I'll consider an award for fair compensation at the end of this provisional decision.

Letter sent to the wrong address and the debt sold to a debt purchaser

Where an account has defaulted, as is the case here, it isn't unusual for the debt to be sold to a third-party debt purchaser. There isn't anything inherently unfair with this as long as the customer has been notified. I have looked at Vanquis' terms and conditions, which allow for

the debt to be transferred. And so, I don't think it has done anything wrong here.

I can see from Vanquis' notes that Mr W updated his address on 11 October 2023. The NoA was sent to a different address to the one on Vanquis' notes. Mr W says the letter was sent to his mother's address, which he says caused problems.

Vanquis say it wasn't responsible for sending out the NoA – letting Mr W know the debt had been sold. So, if the NoA was sent to the wrong address, then it wasn't responsible for that. Mr W has provided me with a copy of the letter – this is on Vanquis headed paper and has been signed by Vanquis. I appreciate Vanquis may say the letter was sent by the company who bought Mr W's debt, which may be true, but Vanquis must at least bear some responsibility for the letter going to Mr W's mother's address. The company who bought the debt would have taken its information about where to send the letter from Vanquis.

Based on what I've seen so far, I'm not satisfied that Vanquis acted fairly here. The letter has been sent to the wrong address. And this, unsurprisingly, led to difficult conversations between Mr W and his mother. I intend to ask Vanquis to pay Mr W compensation for the impact of this error, however I will explain what I think to be a fair award at the end of this decision.

Customer service issues

Mr W says he received poor service from Vanquis when he first contacted it about his financial situation. He's said one of the agents he spoke to was rude. And that he was passed from pillar to post. He adds that Vanquis told him to speak to another business about his financial situation, which he did, but this was the wrong course of action to take, and that business couldn't help him.

I have, on multiple occasions, requested the call recordings from Vanquis, but it hasn't yet provided these. I note that from its responses to this Service it hasn't said that they're not available. This is disappointing. And makes it very difficult for me to know whether or not Mr W did in fact receive poor service, as he's said.

Vanquis has however provided me with the call notes taken by its agents at the time of the calls. I understand Mr W is unhappy about being referred to a third-party who couldn't help him. From what I can see, the third-party it referred Mr W to was an external debt advice service – unconnected to Vanquis. I don't find its actions here to be unreasonable. I think the agent did this in good faith to see if this business was able to help Mr W. While I appreciate it wasn't able to help him, because his overall debt amount didn't meet its criteria, I don't think this was an unfair or unreasonable suggestion from Vanquis.

I can also see from the notes provided that Mr W was passed to different departments during the calls he had. I appreciate that this can be frustrating, however, it was important that Vanquis ensured Mr W spoke to the department best placed to help him – which seems to have involved having his call transferred. I don't think this is unreasonable.

When I spoke to Mr W about his complaint, he remained adamant that Vanquis' advisor was rude to him. Vanquis hasn't been able to provide me with the call recordings from when it spoke to Mr W, so I can't be certain of what happened. I'm also mindful of the facts Vanquis' notes would unlikely provide much context to this point. Given that Vanquis hasn't been able to provide me with any evidence to contradict this point, I'm currently persuaded that Mr W was treated unfairly when he spoke to Vanquis. And so I currently find that Vanquis should pay Mr W some compensation here.

Summary

I intend to uphold some of Mr W's complaint, that's because I think it likely it made a mistake when it collected £73.13 from Mr W – I also don't think it explained appropriately to Mr W the options he had in resolving the matter, which could have caused delays in him getting the funds back. I'm also satisfied that Vanquis is responsible for sending a letter to his mother's address and for being rude to him on the phone.

It's seldom straightforward to decide on appropriate levels of compensation for non-financial losses. Not least because the impact on the consumer will be, by its very nature, subjective and difficult to quantify. In this case, I have considered the impact on Mr W when the payment was collected, the information he received on how to sort it out, when the letter was sent to his mother's address and the service he received on the phone. When deciding on fair compensation, I have taken all of this into account, together with our published approach to compensation for distress and inconvenience, which can be found on our website. Having done so, it is my current view that Vanquis should pay Mr W £350 – this is on top of any other payments it has made to him."

Mr W responded to the provisional decision and accepted the findings.

Vanquis didn't respond by the deadline.

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.

Because Mr W accepted the findings in the provisional decision, and Vanquis didn't respond with any further information for me to consider, I see no reason to depart from the findings in my provisional decision. It follows that it is my decision to uphold Mr F's complaint.

Putting things right

To put things right for Mr W, Vanquis should pay him £350.

My final decision

For the reasons set out above, I uphold Mr W's complaint. I order Vanquis Bank Limited to put things right for Mr W by doing what I've said above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr W to accept or reject my decision before 7 January 2025.

Sophie Wilkinson
Ombudsman