

The complaint

Mrs T complains that Vanquis Bank Limited gave her incorrect information about the impact of an arrangement to repay her credit card.

What happened

Mrs T holds a credit card account with Vanquis.

On 5 February 2024 Vanquis wrote to Mrs T about an interest rate increase. The letter provided a deadline to opt out by 29 April 2024.

On 28 June 2024 Mrs T contacted Vanquis in response to two missed calls. During the call, Vanquis advised Mrs T that it had tried to contact her because she had exceeded her credit limit. Mrs T said that the increased interest rate applicable to her account was causing her financial difficulties and asked whether she could go back to the previous interest rate.

The Vanquis agent advised Mrs T that it was possible to freeze the interest and pay the balance down and once the balance had been fully repaid the account would be closed. Mrs T asked whether this arrangement would be reflected on her credit file and was advised that it wouldn't. Mrs T was then transferred to another agent to set up a password in order to proceed with the arrangement. During this call there were issues with the phone line and the agent had to ask Mrs T to repeat herself several times. The advisors tone became unprofessional, and the call was disconnected.

Mrs T then spoke to another agent to progress the arrangement. Mrs T asked the agent about her credit file again and was advised that the arrangement would be shown on her credit file and that the balance would still accrue interest throughout.

Mrs T requested to speak to the first agent. The agent called her back and apologised for providing incorrect information. Mrs T confirmed that she hadn't set up the arrangement.

Mrs T says she spent almost two hours on the phone in total and was left feeling frustrated and disappointed.

On 16 October 2024 Mrs T contacted Vanquis and was given information about payment plans which were available to her. Mrs T said that neither plan was suitable.

On 12 December 2024 Mrs T contacted Vanquis in response to a missed call. Vanquis reviewed her income and expenditure and agreed a token payment plan of £1.00 per month during which interest and charges would be suspended. Once the balance has been repaid the account will close.

Mrs T complained to Vanquis. She was unhappy about the misinformation provided to her during the call on 28 June 2024 and feels that Vanquis hasn't provided her with enough support after she told them about her financial difficulties.

Vanquis acknowledged that Mrs T was misinformed on the call dated 28 June 2024. It paid compensation of £50. It said it had advised Mrs T about the interest rate rise and had given

customers until 29 April 2024 to opt out. Vanquis said it had offered a long-term arrangement to Mrs T known as “Vanquis Assist” which was the only arrangement available for a payment of £1.00 per month. Vanquis confirmed that as the payments of £1.00 per month wouldn’t meet the contractual payments required, the arrangement would result in the accumulation of arrears and a default. Vanquis said it had also offered Mrs T a short-term arrangement for 9 months which wouldn’t result in a default but there was a minimum payment of around £32.00 per month which Mrs T said she was unable to pay.

Mrs T remained unhappy and brought her complaint to this service.

Following the referral of the complaint to this service, Vanquis offered to pay Mrs T further compensation of £100.

Our investigator upheld the complaint. He said that the poor service given by Vanquis had caused Mrs T distress whilst she was trying to put an arrangement in place. The investigator recommended that Vanquis increase the compensation to a total of £300.

Mrs T didn’t agree. She said that every interaction she’d had with Vanquis had been stressful, with calls lasting at least an hour and wrong information being provided. Mrs T said she was only offered a payment plan after she involved this service. She said it was incorrect that she hadn’t made the payments of £1.00 under the arrangement she had agreed in December 2024.

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 read and considered the whole file, but I’ll concentrate my comments to those points which are most relevant to my decision. If I don’t comment on a specific point, it’s not because I’ve failed to take it on board and think about it, but because I don’t think I need to comment on it in order to reach what I think is the right outcome.

I’ve reviewed the calls between Mrs T and Vanquis. I agree with Mrs T that the calls have on occasion, been lengthy. I’ve also taken account of the fact that it took around six months for Mrs T to get a payment arrangement in place. I appreciate that this has caused Mrs T stress and inconvenience.

The FCA rules say that when a customer is experiencing financial difficulties, a business should treat them positively and sympathetically. I’ve thought about whether Vanquis did that in Mrs T’s case.

Mrs T has said that her inability to make the required payments to the account was caused by the increase in the interest rate applicable to the account which took place in May 2024. I can see that Vanquis had given Mrs T prior warning of the interest rate increase and had given her the opportunity to opt out if she wished. That said, when Mrs T contacted Vanquis in June 2024 and explained her circumstances, she was provided with incorrect advice. And although Mrs T had made it clear that she couldn’t afford to pay the minimum payment, I can’t see that Vanquis offered Mrs T payment options in a timely manner. It isn’t clear why it took Vanquis six months before it was able to offer Mrs T the Vanquis Assist plan, as Mrs T’s financial circumstances hadn’t changed since she first contacted Vanquis in June 2024. On balance, I think Vanquis could’ve done more to support Mrs T.

I’ve paid particular attention to the calls which took place on 28 June 2024. Vanquis doesn’t dispute that its agent gave Mrs T incorrect information. Nor does it dispute that the second

agent behaved unprofessionally and failed to apologise to Mrs T for that behaviour.

Having listened to the calls I understand what a frustrating experience this must've been for Mrs T. It was fortunate that the third agent gave Mrs T the correct information, otherwise she might have agreed to a plan which wasn't suitable for her, and about which she had been given incorrect information.

Vanquis initially paid compensation of £50 for the errors and poor service. It offered a further £100 following the referral of the complaint to this service. I don't think £150 is fair or reasonable considering the impact that the error and the poor service has had on Mrs T in terms of the distress and inconvenience caused.

I'm in agreement with the investigator that the compensation should be increased to a total of £300.

Putting things right

To put things right, Vanquis Bank Limited must pay total compensation of £300 to Mrs T.

My final decision

My final decision is that I uphold the complaint. Vanquis Bank Limited must pay total compensation of £300 to Mrs T.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs T to accept or reject my decision before 10 April 2025.

Emma Davy
Ombudsman