

## **The complaint**

Mrs W complains Vanquis Bank Limited unfairly restricted and closed her credit card account.

## **What happened**

Mrs W held a Vanquis credit card account. Two electronic payments were made towards the account on 12 July 2024 and 20 July 2024. Both payments resulted in a high credit balance.

Vanquis restricted the account and asked Mrs W to get in touch to discuss the incoming payments. Vanquis asked Mrs W for evidence relating to the payments – such as bank statements showing the source of funds and an explanation as to why the funds had been paid to her credit card account.

Mrs W provided some information and raised a complaint about the handling of her account. Mrs W said Vanquis should close her account, release the funds and pay her compensation.

Vanquis looked into Mrs W's complaint and issued a final response letter on 27 September 2024. Vanquis said it restricted the account in line with the account terms given there was a high credit balance. Vanquis confirmed it needed information from Mrs W before it could unblock the account or release any funds.

Unhappy with the response received, Mrs W referred her complaint to this service. An Investigator reviewed her concerns and made the following findings:

- Vanquis acted fairly and in line with the account terms when it blocked the account.
- Vanquis reached out to Mrs W on multiple occasions to request origin of funds evidence. The responses received weren't enough to show Mrs W was entitled to the funds.
- Without clear evidence to show her entitlement Vanquis can't fairly refund Mrs W the funds she is claiming.

Mrs W disagreed with the Investigator's findings, explaining she had been treated unreasonably as she had provided the necessary information.

As no agreement could be reached, the case has been referred to me – an ombudsman – for a final 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.

Firstly, I am sorry to see Mrs W has had cause for complaint. Having looked at the complaint fully, my review of the evidence has led me to the same overall conclusions as the Investigator previously set out and for much the same reasons. I will explain why.

I'll start by setting out some context for the review of Mrs W's account. UK legislation places extensive obligations on regulated financial businesses. Financial institutions must establish the purpose and intended nature of transactions as well as the origin of funds, and there may be penalties if they don't. This applies to both new and existing relationships. These obligations override all other obligations. In Mrs W's case I'm satisfied Vanquis was complying with these obligations when they reviewed Mrs W's account.

Mrs W's account terms and conditions also allow Vanquis to block the account if there is a high credit balance. I understand Mrs W's frustration with the block, and I don't doubt it would've had a detrimental impact on her. I've looked at the reasons Vanquis placed blocks on the account, and I'm satisfied it acted in line with its obligations and acted both fairly and reasonably. So, I don't think Vanquis did anything wrong when restricting the account.

Whilst the account was blocked Vanquis asked Mrs W for evidence to support the activity on the account. It asked for details regarding the incoming credits and her entitlement to them. Mrs W provided various pieces of information to assist with the review – this included bank statements. Mrs W said she was carrying out balance transfers and this was the reason for the payments. However, the statements provided didn't tie in with the information Vanquis had regarding the source of payments. Vanquis didn't consider this evidence to be sufficient to release the funds. Looking at the information Mrs W provided I think this was reasonable. The information didn't clearly establish a legitimate source of the funds within the account, and I can't see that any clear evidence was provided to support Mrs W's comments around the account activity.

I can see Vanquis has clearly set out that it requires a PDF version of Mrs W's other bank statements for the month of July 2024, displaying her name and address. Vanquis has also provided the exact account number and specific sort codes it requires this information for, and it's also asked Mrs W to elaborate on the reasons for the transfers. I think Vanquis' request is reasonable, and it hasn't acted unfairly by requesting specific information.

I've thought carefully about Mrs W's comments about Vanquis' decision to withhold her funds. Mrs W says these are legally his funds and Vanquis is wrong to withhold them. I appreciate Mrs W's strength of feeling about this issue, but as explained above Vanquis' legal obligations are extensive. It must be satisfied Mrs W is legitimately entitled to the funds within the account before it releases them, and it is for Vanquis to decide what evidence it requires for this to ensure the necessary threshold is met.

Given Mrs W still wishes to access funds I would encourage her to liaise with Vanquis directly if she has further evidence to support her claim.

Mrs W has also asked for compensation from Vanquis given its handling of her account. In order for me to award compensation I must establish that Vanquis has acted inappropriately. Based on my review, I can't say that it has. It follows that Mrs W isn't due compensation as a result of its actions.

I'm sorry this isn't the outcome Mrs W hoped for and I know she will be disappointed with the decision I've reached, but I hope it provides some clarity around why I won't be asking Vanquis to take any further action or compensate Mrs W.

## **My final decision**

My final decision is that I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs W to accept or reject my decision before 17 July 2025.

Chandni Green  
**Ombudsman**