

The complaint

Mrs B complains that Vanquis Bank Limited won't refund her for goods which she has paid for but which were not delivered.

What happened

In early July 2024 Mrs B placed an order with a retailer, V, for some clothing. To pay for the order, Mrs B used a credit provider, C, which allows customers to pay retailers which with it has arrangements in four fortnightly instalments. Mrs B was to make three payments of £35.36 and a final payment of £35.37. The first payment was to be made on 3 July 2024 and the last on 14 August 2024.

Mrs B paid C in respect of the second (and possibly third) instalments using her Vanquis credit card. She made the first and last payments using a card issued by a different provider.

Mrs B says that the goods were not delivered. She contacted V, which in turn contacted the courier it had used for delivery. Its evidence indicated that the goods had been delivered on 5 July; the courier provided a photograph of what it said was the parcel containing the goods, which had been left in a secure porch. Mrs B said she recognised the doorway pictured, but that the parcel had been left in a communal area outside her flat. She had not been at home at the time of the delivery.

When V did not provide Mrs B with a refund, she contacted Vanquis Bank. She said that the goods she had paid for had not been delivered, and that a duplicate payment had been taken.

Vanquis said that it did not have any responsibility for goods which had not been delivered. It had made payments to C, not to V, and so it had no means of making any recovery.

Mrs B did not accept the bank's explanation and referred the matter to this service. One of our investigators considered what had happened but did not recommend that the complaint be upheld. Like Vanquis, he noted that asked that it had made payments to C and that those payments had been processed correctly.

Mrs B did not accept the investigator's assessment and asked that an ombudsman review the case. In doing so, she noted that her other bank – which had made the first and last payments to C – had provided her with a refund.

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.

Where goods are not delivered, there are two ways in which a cardholder can seek a refund from the card issuer – chargeback and under section 75 of the Consumer Credit Act 1974.

However, both require that the card payment or payments are made to the retailer or to someone with a close connection to the retailer.

In this case, however, Mrs B's credit card payments were not made to V. They were made to C in order to fund the instalment plan she had taken out with it. Those payments were successful and are not in dispute – in the sense that C did what it had agreed to do, namely provide Mrs B with short-term credit and take payments to meet the instalments. Vanquis did not provide Mrs B with the credit used to make the purchase from V.

Mrs B says too that a payment was duplicated. But I don't think that was the case. Her account shows payments of £35.36 and £35.43 being taken by C on 18 July. The larger payment does not however appear in C's list of payments in respect of the purchase from V. I think it likely therefore that it relates to a different purchase.

I note that Mrs B says she did receive a refund from the bank which made the first and last payments. I am not in a position to know why it agreed to refunds; it may have done so as a gesture of goodwill. But whatever the reason, it does not follow that Vanquis should do the same.

Finally, I note that there was some discussion about the positions of V and of C. I make no comment on the prospects of obtaining a refund from either, although short term "buy now pay later" schemes are not currently regulated. That means that this service is unlikely to be able to consider a complaint about C's actions here.

My final decision

For these reasons, my final decision is that I do not uphold Mrs B's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs B to accept or reject my decision before 23 July 2025.

Mike Ingram
Ombudsman