

The complaint

Mr Z complains that Vanquis Bank Limited ('Vanquis') incorrectly charged him cash advance fees and cash interest totalling £61.26 on his credit card account. Mr Z seeks a refund.

What happened

Mr Z used a third-party service to transfer money from his Vanquis credit card to repay his friend and pay his friend's bills. The April 2025 transactions didn't attract any fees, but the transactions in May 2025 all attracted fees and interest. Mr Z complained to Vanquis that he wasn't expecting this, and didn't think it was fair to be charged when these transactions were later declined.

Vanquis didn't uphold Mr Z's complaint, saying they'd applied interest and charges in line with the terms and conditions of Mr Z's account.

Mr Z asked the Financial Ombudsman Service to investigate, and Vanquis offered to refund the first cash advance fee of £14.97 with associated interest as a goodwill gesture. Our investigator said Vanquis hadn't done anything wrong, and their offer of compensation went above what he'd have expected them to do.

Mr Z strongly disagreed Vanquis had acted fairly and in line with their legal and regulatory obligations. He didn't accept Vanquis' offer, and sought an ombudsman's 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've taken into account any relevant law and regulations, the regulator's rules, guidance and standards, codes of practice and (where appropriate) what is considered to have been good industry practice at the relevant time.

I am sorry to disappoint Mr Z, but I broadly agree with our investigator. I think Vanquis have acted fairly here, and I don't think they need to put things right. I'll explain why.

I think it would be helpful to explain the role of the Financial Ombudsman Service is to resolve individual complaints based on what is fair and reasonable in the circumstances of each case. We don't have the power to make rules for financial businesses, in terms of directing that they should change their policies or procedures. That is the role of the regulator, the Financial Conduct Authority ('FCA'). We also don't make decisions about whether laws have been broken, as that is a job for the courts.

Mr Z says he made identical transactions in April 2025 with no fees, so he wasn't expecting to be charged for transferring money using a third-party service in May 2025. Mr Z says he's not in control of how a transaction is labelled by Vanquis or third parties, and Vanquis aren't being fair, consistent and transparent with him.

I don't agree the transactions in April 2025 and May 2025 were identical. I have looked at Vanquis' transaction log and I can see that April 2025's transactions were treated like purchases and didn't incur any fees. An example of a purchase would be paying for a product or paying a bill for a service. Vanquis' transaction log shows they treated the May 2025 payments as cash-like transactions. An example of a cash-like transaction is withdrawing cash or transferring money to someone's account so that they can use it like cash.

I've noticed Mr Z's May 2025 transactions include "Visa Direct" in their payment references, so I think these payments were made differently to the April 2025 transactions. Vanquis say the reference indicates the payment was sent directly to a Visa card rather than a linked account provided by the third-party service provider. I think this is likely, because Mr Z was transferring money to repay his friend. I think it's fair for Vanquis to charge fees and interest for these cash-like transactions, as this is in line with the terms and conditions of Mr Z's account.

Mr Z's unhappy that the charges and interest haven't been refunded when his friend returned his money. I think it's reasonable that fees are charged for the action of sending money, even if that money is later returned.

Mr Z said English isn't his first language, and so understanding complex terms and conditions is harder for him. I agree with our investigator that Vanquis were clear that they'd operate the account in English, and Mr Z agreed to the terms and conditions set out in English when he applied for the credit card.

Vanquis offered a refund of the fees and interest for the first May 2025 transaction, as a goodwill gesture. Vanquis didn't offer a full refund because they thought Mr Z was aware after the first time that future similar transactions would attract charges. Mr Z disagreed and said he was only aware of the charges when he got his statement, which was after all the transactions took place.

I am pleased that Vanquis wanted to help an unhappy customer, but I won't interfere with the amount they've offered. I say this because I think the charges were fairly applied in line with the terms and conditions of Mr Z's account, so I don't agree Vanquis need to do anything to put things right. I know this will be disappointing to Mr Z, but I am not going to ask Vanquis to do anything on this occasion. Mr Z should contact Vanquis directly if he wants to accept their offer.

My final decision

For the reasons I've outlined, I don't think Vanquis needs to do anything to settle this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr Z to accept or reject my decision before 15 December 2025.

Clare Burgess-Cade
Ombudsman