

## **The complaint**

Mrs W is unhappy that Vanquis Bank Limited warned her about using her personal credit card for business use when she hadn't done so.

## **What happened**

Mrs W received a letter from Vanquis warning her against using her Vanquis credit card for business use, which is forbidden by the terms of the card. Vanquis believed Mrs W had used her card for business use based on transactions she'd made to two different vendors. Mrs W explained to Vanquis that she didn't run a business and that the vendors in question were spiritual and wellness businesses that she purchased services from in her personal capacity.

Vanquis didn't accept Mrs W's explanation and said that if Mrs W continued to transact with those vendors, Vanquis may close her account. Mrs W wasn't happy with the treatment she was receiving from Vanquis, so she raised a complaint. Vanquis responded to Mrs W but didn't feel that they'd done anything wrong and reiterated their position. Mrs W wasn't satisfied with Vanquis response, so she referred her complaint to this service.

One of our investigators looked at this complaint. During their review, Vanquis acknowledged that they had made a mistake and confirmed that they no longer considered Mrs W to have undertaken business use on her card. Our investigator therefore upheld this complaint in Mrs W's favour and said that Vanquis should pay £50 compensation to her for the trouble and upset she had incurred.

Mrs W didn't accept the view of our investigator and felt that Vanquis had discriminated against her religious beliefs and race and that a much larger award of compensation was merited. So, the matter was escalated to 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.

In her submissions to this service, Mrs W has said that she feels that Vanquis have discriminated against her in respect of her religious beliefs and her race and has indicated that she feels Vanquis have acted unlawfully as a result.

I'd therefore like to begin by explaining that this service is not a regulatory body or a Court of Law and doesn't operate as such. This means that I'm unable to make a decision as to whether Vanquis have discriminated against Mrs W in an unlawful sense, because I have neither the remit nor the authority to do so. If Mrs W would like a decision as to whether Vanquis have acted unlawfully against her, she would need to obtain one via a Court of Law.

What I can do is assess whether I feel Vanquis have treated Mrs W fairly and reasonably, in a general sense, in consideration of all the circumstances of this complaint. This is in line with this service's role as an informal, impartial dispute resolution service.

In this instance, I don't feel that Vanquis have treated Mrs W unfairly in the manner that she suggests. I say this because Vanquis sent Mrs W a warning letter because they (incorrectly) believed that she was using her account for business purposes. Conversely, Vanquis didn't say anything about Mrs W not being able to use her account to obtain spiritual and wellness services. They simply failed to recognise that Mrs W was obtaining those services from the merchants in question and instead continued to hold the incorrect belief that Mrs W was using her account for a business.

Notably, Vanquis have since acknowledged that the transactions Mrs W made to the merchants in question weren't of a business nature, and they've confirmed that they have no issue with Mrs W making those transactions moving forwards. This strengthens my assertion that Vanquis' concern was based on their misplaced understanding that Mrs W was using her account for business purposes and wasn't a comment on Mrs W's religious beliefs or race.

However, the fact remains that Vanquis did send a warning letter to Mrs W unfairly, having misunderstood the transactions to the vendors in question. That transactions can be flagged as being potentially business transactions is understandable. But where I feel Vanquis have treated Mrs W unfairly here is by not investigating and corroborating her explanation that the vendors provided spiritual and wellness services that Mrs W was purchasing in her personal capacity.

Accordingly, I'll be upholding this complaint in Mrs W's favour and instructing Vanquis to pay £50 compensation to Mrs W for the trouble and upset that she's incurred. I understand that Mrs W feels that a much larger degree of compensation is merited here, but as explained, I don't feel that Vanquis did treat her unfairly in the specific manner that she's alleged.

Importantly, given that Vanquis specifically explained that they were concerned about Mrs W using her account for business purposes, I'm not convinced that it was reasonable for Mrs W to conclude that Vanquis had an issue with her religious beliefs, and this means that I don't feel that Vanquis should reasonably be held accountable for any upset that Mrs W experienced in that regard.

As explained, what I do feel that Vanquis should compensate Mrs W for is not investigating and corroborating her explanation about the nature of the vendors in question. And when I consider the impact of that specific failing by Vanquis in isolation, as well as mitigating factors – such as that Mrs W continued to transact with the vendors in question, such that it wasn't the case that she didn't receive the services she wanted to buy – I feel that £50 is a fair compensation amount. Lastly, I also feel that this is in alignment with the general framework this service uses to assess compensation amounts, details of which are available on the Financial Ombudsman Service website.

To confirm, Vanquis have now acknowledged that they have no issue with Mrs W transacting with the vendors in question, and so Mrs W should have no further warning letters from Vanquis. I appreciate this may not be the outcome that Mrs W was wanting to her complaint, but I hope she will understand, given what I've explained, why I've made the final decision that I have.

### **Putting things right**

Vanquis must pay £50 to Mrs W.

### **My final decision**

My final decision is that I uphold this complaint against Vanquis Bank Limited on the basis

explained above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs W to accept or reject my decision before 11 February 2026.

Paul Cooper  
**Ombudsman**