

The complaint

Mr C is unhappy that Vanquis Bank Limited restricted his credit card account when he tried to make a payment to the account using a different debit card which he hadn't used before.

What happened

In July 2024, Mr C tried to make a payment to his Vanquis credit card using a debit card that he hadn't made a payment to Vanquis with before. Vanquis' systems flagged the attempted payment because the name and address information Vanquis received as associated with the debit card was not Mr C's name and address. This led Vanquis to place restrictions on Mr C's account.

Mr C spoke with Vanquis about the restrictions on his account and was asked to provide proof that the card in question belonged to him. Mr C explained that he no longer had that card. In response, Vanquis asked Mr C to obtain a letter from the bank confirming the owner of the card. Mr C contacted his bank who raised concerns about providing such a letter and who told Mr C that Vanquis' actions were unusual.

Mr C then spoke with Vanquis again who reiterated their requirement for a letter confirming the ownership of the card. Frustrated with the lack of progress, Mr C then raised a complaint and later asked Vanquis to close his account.

Vanquis responded to Mr C but didn't feel that they'd done anything wrong and confirmed that Mr C's account would remain restricted until he provided the information they required. Mr C wasn't satisfied with Vanquis' response, so he referred his complaint to this service.

One of our investigators looked at this complaint. They didn't feel that Vanquis had acted unfairly by restricting Mr C's account or by requiring a letter from Mr C's bank confirming that the debit card was his. However, our investigator did feel that Vanquis had caused several delays in their dealing with Mr C which had unfairly prolonged the ongoing incident, and because of this they said initially that Vanquis should pay £300 compensation to Mr C, although they later raised that compensation amount to £400 following further delays.

Vanquis didn't accept the recommendation put forward by our investigator, 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.

Having done so, I don't feel that it was unreasonable for Vanquis to have held concerns about the card that Mr C tried to use to make a payment to his account, given that Vanquis received information that stated that the name and address of the card holder was not a match with Mr C.

I also don't feel that it was unreasonable for Vanquis to have restricted Mr C's account, given

that it was reasonable for them to have felt there was a risk that Mr C may have been trying to make a payment to his credit card using a debit card that wasn't his, potentially without authorisation from the card holder, although it must be noted that Mr C wasn't attempting an unusually large payment, and the payment he did attempt was in line with his usual payment behaviour.

Mr C has said that he used the new card because he lost the card that he had been using to make payments to Vanquis. Mr C has also said that when he spoke with Vanquis, they asked him to provide a photo of the card he had lost, which of course he couldn't do.

It seems unusual to me that Vanquis would ask Mr C to provide a photo of a card they had no issue with rather than providing a photo of the card they were concerned about because they had received name and address mismatch information.

There may have been a misunderstanding on Mr C's part here, because Vanquis system notes state that they did ask Mr C to provide a photo of the card they had concerns about, and not the card Mr C had lost. Vanquis' system notes also state that Mr C sent in a photo of a different card to the one they had concerns about, which led Vanquis to reiterate to Mr C that they wanted proof that he was card owner of the card about which they were concerned.

Furthermore, Vanquis notes explained that when they confirmed to Mr C that they needed proof of ownership of the suspect card, Mr C told them that he no longer had the card. And when Vanquis then asked Mr C for a letter from his bank confirming proof of ownership, Vanquis notes state that Mr C told them that he didn't remember ever having owned that card.

Mr C has said that he went to his bank and asked for a letter in line with Vanquis requirements but that his bank wouldn't give him one and told Mr C that Vanquis had no right to require that information from him. I have reservations about this aspect of Mr C's complaint as I feel that the requirement to confirm ownership of the card was both reasonable and one which I would expect a bank to help a card holder comply with. As such, if Mr C's request was refused by his bank, it may have been the case that Mr C didn't receive what I would consider a reasonable standard of service from his bank.

All of which means that, regarding the above, I don't feel that Vanquis have acted unfairly or unreasonably towards Mr C. However, following this, Mr C asked Vanquis for a written letter from them that he could take to his bank which would explain exactly why Vanquis required card ownership confirmed from his bank. Mr C didn't receive any such letter from Vanquis, despite requesting it from them several times. Furthermore, when Vanquis later reassessed the restrictions on Mr C's accounts, they decided to remove the restrictions without any further requirement from Mr C but didn't notify Mr C that they had done so.

Vanquis accepted our investigators view that these incidents represented poor service for which Mr C should fairly be compensated. It's unfortunate that Vanquis' handling of this matter deteriorated in this way, and then further deteriorated when Vanquis failed to comply with the recommendations put forward by our investigator which they had themselves accepted.

Vanquis have explained that they sent a letter to Mr C asking him to confirm his bank details so that they could pay the agreed compensation to him. And Vanquis have also said that they sent emails to this service about their need to obtain Mr C's bank details and Mr C's lack of response to the letter they sent.

But Mr C has explained that he never received any such letter from Vanquis. Neither has this service received the emails Vanquis claim to have sent. And if Vanquis had sent a letter to

Mr C asking for bank details to pay compensation, and hadn't received a response, I would reasonably have expected them to call Mr C, or reach out to him by some other means, rather than sending emails to this service that also received no response.

In consideration of Mr C's complaint, I feel that after initially handling this situation fair and reasonably, Vanquis have provided poor service to Mr C. As such, my final decision is that I uphold this complaint in Mr C's favour and instructing Vanquis to pay £400 compensation to him.

In arriving at this compensation amount I've considered the impact on Mr C of Vanquis' poor service. This includes the frustration that Mr C has clearly felt as this matter has progressed and the standard of service from Vanquis has deteriorated. I've also considered the general framework this service uses when assessing compensation amounts. And having done so, I feel that £400 is a fair compensation amount.

Putting things right

Vanquis must pay £400 to Mr C.

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 Mr C to accept or reject my decision before 6 March 2026.

Paul Cooper
Ombudsman