

summary of complaint

Mr W complains that Vanquis Bank Limited would not let him activate his Repayment Option Plan (ROP). He complains that he has been harassed and given inconsistent information.

background

Mr W has a credit card with Vanquis.

In August 2011 Mr W asked Vanquis to activate his ROP. The forms to activate his ROP were not sent out until November 2011 (at the earliest) and were not returned until January 2012 (at the earliest). In the meantime, Mr W says he received approximately 2,000 calls from Vanquis and was given inconsistent information about the amounts he owed.

Mr W complained to Vanquis about it not letting him activate his ROP. He complained that this ultimately led to his account being defaulted when it should not have been. Mr W also complained that he had been harassed and given inconsistent information. Vanquis did not uphold his complaint. Mr W, therefore, complained to us.

Vanquis agreed to treat Mr W's ROP as if it had been activated in August 2011 through to January 2012 following our involvement. It also agreed that the information it had provided Mr W was confusing at times and that there were instances of poor customer service. Our adjudicator recommended that Vanquis pay Mr W £400 compensation in recognition of the distress and inconvenience it had caused. She said that this should be applied to the balance Mr W owed. Vanquis agreed to this recommendation. Our adjudicator did not recommend that the default Vanquis had applied to Mr W's credit file be removed as she considered this to be an accurate reflection of what had happened to Mr W's account. Nor did she consider Vanquis had harassed Mr W or called him approximately 2,000 times.

Mr W disagreed with our adjudicator's recommendations saying that Vanquis had called him approximately 2,000 times and that its evidence was unreliable. He also said that his compensation should not be applied to the balance he owed. Finally he said that no adverse entries would have been added to his credit file had his ROP being activated as it should have been. An ombudsman was, therefore, asked to review his complaint.

my findings

I have considered all the available evidence and arguments to decide what is fair and reasonable in the circumstances of this complaint.

Mr W has been in difficulties since 2011. Having listened to his phone conversations with Vanquis, it is clear he has strong feelings about why he is in difficulties and that being in this position has caused him a great deal of stress. It is also clear that Mr W was unhappy his account ended up in arrears and that he was trying his best to pay what he could.

a) did Vanquis provide Mr W with inconsistent information?

I am satisfied that Mr W found the figures he was given for the amounts he owed confusing. Sometimes, when he questioned them, Vanquis explained the apparent inconsistencies well but it did not always do so. I am satisfied that it was very frustrating for Mr W when the figures were not explained well and that this made what was a difficult time for him even more stressful.

b) did Vanquis let Mr W activate his ROP?

I am satisfied that Mr W did not think about activating his ROP until August 2011. He was told at this stage that he would have to contact Vanquis to get the necessary forms to activate his plan sent out if he wanted to activate his ROP. I agree with our adjudicator that Vanquis could have been more proactive at this stage. I am satisfied that it was very frustrating for Mr W that the plan was not activated at a time when he could have benefitted from it. Mr W became angry with Vanquis at times at what he saw was its failure to help him.

Mr W complained to Vanquis in November 2011 that it had not sent the forms out to him. Vanquis said it would send them out, but I am satisfied they did not do so until January 2012 (at the earliest). I agree with our adjudicator, however, that even though the forms should have been sent out earlier, this would not have made a difference as Mr W did not have the documents he needed to activate the plan until April 2012. More importantly, Mr W would not have been able to activate his plan until his account was in line. I am satisfied, given the arrears that had built up before August 2011, that Mr W would not have been in a position to achieve this.

c) did Vanquis harass Mr W?

Mr W has provided us with evidence of the amount of times he says Vanquis called him. I am satisfied that Vanquis called him on a large number of occasions, but not on 2,000 occasions as Mr W has suggested. I say this because the log he has produced which he says records calls received from Vanquis include a large number of calls from other banks. Mr W says the numbers now being used by other banks were used by Vanquis at the time, but I am not satisfied this is the case.

Although Vanquis called Mr W a large number of times, the majority of these calls were unanswered. Had Mr W explained why he could not afford to pay or made proposals, rather than not answering calls, I consider it likely that Vanquis would have made far fewer calls to him. Overall I am not satisfied that the calls amounted to harassment.

I have listened to a number of calls when Mr W was offended by what were intended to be helpful comments. I am satisfied that this was in part down to the stress Mr W was under and in part due to him having a limited amount of patience given the problems he had already experienced with Vanquis. I have also listened to one call where a member of staff made a remark that was inappropriate, which Mr W was offended by and rightly so. Vanquis has accepted that Mr W received some poor customer service and has offered to pay £400 in compensation. I consider that offer to be fair and reasonable. I should add that I have also listened to calls where Mr W received excellent customer service.

d) has Vanquis recorded adverse information about Mr W unfairly?

I am satisfied that it was appropriate for Vanquis to default Mr W's account given the arrears on it. Mr W says this would not have happened if Vanquis had let him activate his ROP. However, I am satisfied that, even if Mr W had sent his forms in asking for his ROP to be activated along with the right documents, the policy would not have been activated because the account was not in line and Mr W would not have been able to bring it into line. In the circumstances, I agree with our adjudicator that Vanquis did not make a mistake when it defaulted his account.

Vanquis has accepted that it was not as proactive as it should have been when Mr W asked for his ROP to be activated. It has, therefore, offered to activate his ROP from August 2011 to 31 January 2012. In the circumstances, it has also offered to remove the default it applied to his account. Mr W has also asked for his ROP to be activated from March 2012 to November 2012, but I am satisfied that he would not have been able to activate it in August 2011 and I cannot see why he would have been in a better position in March 2012. I, therefore, consider Vanquis' offer to be fair and reasonable.

my final decision

My final decision is that Vanquis Bank Limited should pay Mr W £400 to compensate him for the distress and inconvenience he has experienced and poor customer service. However, it is up to Mr W to decide whether this is used to pay off part of the balance he owes Vanquis. It should also backdate the ROP activation to begin in August 2011 and end on 31 January 2012 and remove the default on Mr W's account. This is in full and final settlement of Mr W's complaint.

Nicolas Atkinson
ombudsman