

complaint

Mrs J complains that she was unable to benefit from the Repayment Option Plan on her credit card with Vanquis Bank Limited, and that a payment holiday she requested was refused.

background

Mrs J agreed to take out a Repayment Option Plan for her credit card in October 2010. The bank provided her with a written copy of the terms and conditions at the time. In 2011 Mrs J tried to arrange a payment holiday under the plan. But the bank explained that because she was over the card credit limit she was not eligible under the plan's terms and conditions. She wrote asking the bank to cancel the plan, but it failed to do so and continued to take payments for it from her account.

In January 2013, Mrs J telephoned the bank because she had had to pay an unexpected vet's bill and realised that she was about to go over her credit limit. She asked about a payment holiday but was told she was not eligible. The bank did agree that it would not charge her the over limit fee of £12, as long as Mrs J made a payment within two days of going over limit. Mrs J did make a payment in accordance with that agreement, but the bank still charged her £12.

The adjudicator upheld Mrs J's complaint in part. She found that the bank should have cancelled the plan when Mrs J asked it to. She asked the bank to refund Mrs J £271.60 for the payments made after August 2011, interest of £117.13, along with 8% interest on the total of £388.73 (£31.10). She also said that the bank should refund the £12 it had charged Mrs J in January 2013 with £3 interest. But she decided that the bank was entitled to rely on its terms and conditions in refusing Mrs J a payment holiday in January 2013.

Mrs J said that repayment of the charges with interest still did not compensate her fully for the bank's failure to cancel the plan. She also felt the bank should have given her a payment holiday.

my findings

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

Having done so, I have come to the same conclusion as the adjudicator and for much the same reasons.

Mrs J had already made the January payment at the date of her request for a payment holiday, so it was too late for her to have a payment holiday for that month. But it was clear that by the time her next statement was due, she would be over her limit and so not eligible for a payment holiday under the terms and conditions of the Repayment Option Plan.

I also take into account that if the bank had cancelled the plan when Mrs J asked it to, she would not have been entitled to its benefits after August 2011. I consider it would not be fair to ask the bank to treat Mrs J as if the plan was still in place in January 2013, while at the same time requiring it to put her in the same position as if it had been cancelled in August 2011.

When she found herself in financial difficulty, Mrs J acted promptly and responsibly by contacting the bank. It must have been very disappointing for her to discover that her options were so limited. But it is clear that her difficulty was temporary, and I find that the bank was entitled to rely on its terms and conditions - so I am unable to uphold this part of her complaint.

Mrs J says that a refund of the payments she made with interest, does not put her in the position she would have been in if the plan had been cancelled in August 2011. But I note that Mrs J did not take any further steps to cancel the plan after August 2011, even though the payments continued to be taken from her account. I consider that asking the bank to pay interest on the payments she made fairly compensates her for the loss she suffered.

The bank should also pay Mrs J the £12 it charged her for going over limit in January 2013 with interest of £3.

my final decision

My decision is that Vanquis Bank Limited should pay £434.83 to Mrs J.

Melanie McDonald
ombudsman