

## **complaint**

Mr K complains that Vanquis Bank Limited did not freeze the interest and charges on his credit card account for several months after he told it that he was in financial difficulty and that a debt management company was taking over payments.

## **background**

Mr K told Vanquis that he was in financial difficulties. It took four months for the bank to receive written confirmation of his debt management plan from the debt management company. The bank then froze interest and charges on the account. During this time, Vanquis received electronic payments from the debt management company. The charges came to Mr K's attention at the time, and he challenged them, and again when he finalised the debt plan some years later. He then complained to the bank that the charges were unfair as he had an agreement with the debt management company. The bank disagreed and would not refund them.

The adjudicator recommended that the complaint be partly upheld. She had difficulty obtaining responses and information from the bank. She first took the view that a refund may be due to Mr K as the bank was not positive or sympathetic to him when he first told it of his difficulties. But when she saw the bank's information, she thought that the bank was not in error as there were no warning signs of a problem with the account. However, she thought that Mr K should be compensated for the distress and inconvenience caused by the bank's late responses.

The bank has not responded to this. Mr K wants redress to be put back where he thought he should be, with a zero balance for the account.

## **my findings**

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

I agree with the adjudicator that Vanquis could not have known from Mr K's account history that he was in major difficulties. But, he told it explicitly of his difficulties and that he had sought help from a debt management company. The bank should then have offered practical help and advice.

I have looked to see how the bank was positive and sympathetic towards Mr K in response but I could not see that the bank offered him any support. It continued to charge him interest and make charges and this put the account over its credit limit so that it was suspended.

Mr K contacted the bank to tell it that the debt management company was responsible for making payments to the account. For this reason, I agree with the adjudicator's original opinion that the bank did not fulfil its duties under The Lending Code. I also agree that Mr K should be compensated for the distress and inconvenience caused by the bank's late responses to the adjudicator's requests for information.

## **my final decision**

My decision is that I uphold this complaint. In full and final settlement, I order Vanquis Bank Limited to:

1. Refund to Mr K interest and charges made on his account for the four months it was over its credit limit until charges were frozen – a total of £84.75.
2. Pay Mr K £50 compensation for distress and inconvenience.

Phillip Berechree  
**ombudsman**