



## **complaint**

Mr C complains that Vanquis Bank Limited applied interest and charges to his credit card account even though he told it he had a medical condition and was not able to make the payments.

## **background**

Mr C paid his monthly credit card bill in full until August 2011. Mr C says that he suffered an injury in August 2011 and was put on strong medication. He says that he then can't remember the rest of 2011 and 2012.

The bank says that after paying his bill in full in August 2011, he made transactions in September and October 2011 but did not make any further payments. It says that Mr C contacted it in November 2011 to discuss activating his repayment option plan. After Mr C had provided a hospital letter as evidence of his situation Vanquis activated his repayment option plan. After three months the plan was due for renewal but the bank says that Mr C did not send the information needed for this to happen. It also says that the interest and charges on Mr C's account have been applied in line with its terms and conditions.

The adjudicator found that because Mr C was taking strong medication he was unable to manage his finances. She said that although Mr C had not told Vanquis he was in financial difficulties, Vanquis should have been aware of this. Because of Mr C's situation, she found that Vanquis should have frozen the interest and charges on his account. Vanquis says that because the interest and charges have been applied in line with the account terms and conditions it has done nothing wrong and does not agree to refund the interest and charges.

## **my provisional conclusions**

I issued a provisional decision on this complaint. I concluded, in summary that:

- There was nothing to suggest that Mr C did not make the transactions in September and October 2011.
- Because no payments were made after August 2011, the bank had not done anything wrong in applying charges and interest to Mr C's account.
- Mr C was facing problems in 2011, but he did not tell Vanquis that he was in financial difficulties. Had Vanquis been aware that Mr C was in financial difficulties I would have expected it to treat him sympathetically. However that does not mean that the interest and charges would have to have been frozen, although that could have been considered.
- Vanquis had acted fairly by activating Mr C's repayment option plan in December 2011 after Mr C had provided it with the evidence needed. This froze Mr C's account for three months.
- The bank wrote to Mr C after three months when his plan needed to be renewed but Mr C did not provide the evidence needed. Because of this the plan was removed and interest and charges continued to accrue on his account. I accepted that Vanquis had acted in line with its terms and conditions in not renewing the repayment option plan.
- It was not unreasonable for Vanquis not to accept Mr C's offer in May 2012 of £150 to settle the account. Vanquis sent him a letter setting out the lowest offer it would accept.
- While I sympathised with Mr C's situation I found that he had not explained to Vanquis his financial situation or provided it with the information to enable his repayment option plan to be

reactivated. He had also not taken the opportunity to discuss his options with the collections agents. Had Mr C taken these actions he might have been able to resolve this issue sooner.

- Because I accepted that Vanquis has acted in line with its terms and conditions in regard to its repayment option plan and in applying interest and charges to Mr C's account I did not find that Vanquis should refund Mr C the interest and charges.

Vanquis accepted my provisional decision and Mr C has not responded to it.

### **my findings**

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

In my provisional findings I accepted that Mr C had faced difficulties in 2011 and 2012.

I found that Vanquis had treated him fairly by activating his repayment option plan in December 2011. But because the bank had contacted Mr C about renewing the plan after the first three month period and Mr C had not provided the evidence needed for this to happen, I found that it had not done anything wrong by not renewing the plan and allowing charges and interest to accrue on the account.

The bank has accepted my provisional decision and because Mr C has not responded or provided any further evidence I see no reason to depart from my earlier conclusions.

### **my final decision**

My final decision is that I do not uphold this complaint.

Jane Archer  
**ombudsman**