

## **complaint**

Mr F complains that Vanquis Bank Limited mis-sold him a repayment option plan. He wants the fees he paid for this product refunded.

## **background**

In June 2012, Mr F agreed to a repayment option plan being added to his account. In October 2013, he says he tried to activate this plan because he was in financial difficulty after incurring some unexpected expenses visiting a sick family member. He says he was told that the plan could not be activated because he was still employed. He says he was also told that he could not take a payment holiday because he had already missed a payment (which was due that month).

Mr F says that he was misled by the marketing information for this plan as it says that the plan acts as a safety net in the event of difficult financial circumstances and that a payment holiday can be taken once a year. Mr F says that when he found himself in financial difficulty he was told that the plan did not cover his situation. He also says that the strict terms around the payment holiday were not made clear to him.

Mr F says that he has paid for a plan that has added no value above what other credit card companies provide for free. In October 2013, Mr F cancelled the plan.

Vanquis says that it explained the repayment option plan to Mr F and that he agreed to have it added to his account. It says that it sent Mr F the terms and conditions of the account which clearly set out the situations in which the plan can be activated. They also explain that the payment holiday can only be taken if the account is not in breach of its terms and conditions and because Mr F had missed a payment he was in breach.

The adjudicator did not uphold this complaint. She found that the repayment option plan had been explained to Mr F before he agreed to it and that he had been sent the terms and conditions which clearly set out the details of the plan. She did not find that Vanquis had done anything wrong by not activating the plan or allowing Mr F a payment holiday.

Mr F did not agree. He said that the marketing information said the plan could be activated in the event of difficult financial circumstances but that this was not true because it only covered unemployment and disability. He says this information is misleading. He also said that the strict repayment holiday terms were not made clear to him and that other companies offer the same service for free that Vanquis has charged him for.

## **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 understand that Mr F is disappointed that when he tried to activate his repayment option plan he found that his circumstances were not covered. I also understand that he feels the marketing information misled him in terms of what the plan would cover in regard to financial difficulties. In deciding whether Vanquis mis-sold Mr F the repayment option plan, I have considered what information Mr F was provided when he took out this plan.

I have considered the call Mr F had with Vanquis in June 2012 when he agreed to the repayment option plan. On this call an overview of the plan was given and examples provided of what difficult circumstance might result in the use of the plan. The payment holiday was mentioned and the cost explained. Mr F agreed to this plan being added to his account and was told that he would receive the full terms and conditions and that he should read these to check the plan was right for him. Mr F also had his cancellation rights confirmed. I have read the terms and conditions and these clearly explain what is meant by difficult financial circumstances. They also set out that the payment holiday can only be taken if the customer is not in breach of the terms and conditions of the account.

Mr F's financial difficulties arose because he had to unexpectedly incur costs visiting a sick family member. The definition of difficult financial circumstances in the repayment option plan does include taking time off to care for a sick member of your immediate family but only if a loss of income is suffered. Because Mr F did not suffer a loss of income, this definition was not met. Also, because Mr F had missed a payment on his account shortly before he called in October 2013 to discuss his options, he was, at that time, in breach of his terms and conditions and therefore not eligible for the payment holiday. Because Vanquis acted in line with the terms and conditions of the plan, I do not find that it did anything wrong by not activating Mr F's plan or providing a payment holiday.

I have looked at the marketing information for the repayment plan. The information about freezing your account in the event of difficult financial circumstances is followed by the statement that terms and conditions apply. The marketing website has a link to the terms and conditions of the account. Having considered the marketing information in regard to the issues raised by Mr F, I do not find that Vanquis has provided misleading information.

Mr F considers that plan he has paid for is no better than the approach offered for free by other companies. I find that Vanquis has provided clear information to Mr F about its product and that this does provide the customer with additional support in certain circumstances. Whether or not such terms could be agreed for free is not guaranteed and I do not consider it relevant in determining whether the plan provided by Vanquis was mis-sold.

I have also noted that since informing Vanquis of his financial difficulties, it has worked with him to agree a payment plan. I consider this to show Vanquis has acted positively to Mr F.

In summary, I do not find that Mr F was mis-sold a repayment option plan and do not require Vanquis to refund him his fees.

### **my final decision**

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

Jane Archer  
**ombudsman**