

## **complaint**

Mr B complains that Vanquis Bank Limited will not refund to him a payment that was made to a hotel when he was on holiday in another country. He also complains that it will not refund to him, under section 75 of the Consumer Credit Act 1974, the money that he paid for a visa and about the customer service that he has received from Vanquis Bank.

## **background**

When he was on holiday in another country in 2013, Mr B made a payment of £454.25 on account of some spa services that he had received. A separate charge of £550.57 had already been made to his credit card for those services so he asked Vanquis Bank to make a chargeback for £454.25. It did so but then said that the payment had been authorised by Mr B using “chip and pin” and therefore could not be charged back. Mr B also complained that he had been charged £83.50 for a visa that should have cost him £8.50. He also complained about the customer service that he has received from Vanquis Bank and, in particular, that it has not used his preferred salutation. He was not satisfied with Vanquis Bank’s response so complained to this service.

The adjudicator recommended that this complaint should be upheld in part. She concluded that the hotel had refunded the payment of £454.25 to Vanquis Bank and she recommended that it should therefore refund that amount, with interest, to Mr B. She also concluded that the payment for the visa was less than the minimum amount required for a claim under section 75. She finally concluded that, although Vanquis Bank had used Mr B’s preferred salutation, it could have prevented delays in resolving this complaint and she recommended that it should pay £50 to Mr B to compensate him for the trouble and upset that he had been caused.

Vanquis Bank has asked for this complaint to be considered by an ombudsman. It says, in summary, that it has not received a refund of £454.25 from the hotel or its bank.

## **my findings**

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

The hotel says that it has authorised a refund to Mr B of the £454.25 that he paid to it when he was checking-out. The hotel’s bank has provided written confirmation that the payment has been refunded to Vanquis Bank and it has also provided a screenshot to show that the refund has been made to Vanquis Bank. That refund has not been credited to Mr B’s account. I therefore consider it to be more likely than not that the refund has been received by Vanquis Bank but that it has not been credited to Mr B’s account. As such I consider that it would be fair and reasonable for Vanquis Bank to refund £454.25 to Mr B’s account and to pay interest on that amount.

Mr B has asked for a refund, under section 75, of the £83.50 that he paid for a visa. In certain circumstances, section 75 gives a consumer an equal right to claim against the supplier of goods or services or the provider of credit if there has been a breach of contract or misrepresentation by the supplier. One of those circumstances is that the value of the goods or services must be at least £100. As Mr B’s payment of £83.50 is less than £100, his claim under section 75 cannot be successful.

I am not persuaded that there is enough evidence to show that Vanquis Bank is required to use Mr B's preferred salutation and I do not consider that it would be fair or reasonable for me to require it to pay any compensation to him because of any failure to use that salutation. However, I consider that Vanquis Bank should have done more to assist Mr B with his request for a refund of the £454.24 that he paid to the hotel and that its failure to do so has caused delays in this complaint. That will have caused trouble and upset for Mr B and I consider that it would be fair and reasonable for Vanquis Bank to pay him £50 compensation for that trouble and upset.

### **my final decision**

For these reasons, my decision is that I uphold Mr B's complaint in part. In full and final settlement of it, I order Vanquis Bank Limited:

1. To rework Mr B's account as if the payment of £454.25 had not been made in December 2013, and if that puts the account into credit, to pay interest at an annual rate of 8% simple on the credit balance for the periods that the account was in credit.
2. If Mr B has repaid the £454.25 (or any part of it) to Vanquis Bank, to pay interest on the amount that he has repaid at an annual rate of 8% simple from the date of payment until the date of settlement.
3. To pay £50 to Mr B to compensate him for the trouble and upset that he has been caused.

If Vanquis Bank deducts tax from the interest element of my award, it should send Mr B a tax deduction certificate when making payment. He can then use that certificate to reclaim the tax if he is entitled to do so.

Under the rules of the Financial Ombudsman Service, I am required to ask Mr B to accept or reject my decision before 13 February 2015.

Jarrold Hastings  
**ombudsman**