

## **complaint**

Ms A, on behalf of Mr F, complains that Vanquis Bank Limited turned down Mr F's application for a credit card. She also complains that Vanquis Bank passed Mr F's details on to third parties.

## **background**

Mr F received a credit card application form from Vanquis Bank in the post. He completed and returned the application form, but his application was declined. He has since received contact from third parties about taking out a loan, and believes that Vanquis Bank passed his details to these third parties.

Mr F is unhappy that his application was declined. He provided Vanquis Bank with evidence of his financial situation to show that he should qualify for the credit card. He is also unhappy that his details were passed to third parties. He believes that the application form was designed to mislead him into giving his details so that they could be passed on to other lenders. He wants Vanquis Bank to give him the credit card offered, or pay him compensation for annoyance, distress and damaging his credit rating.

Vanquis Bank provided evidence to this service of why it had declined Mr F's application. And it said that application form gave Mr F the option to "opt out" of receiving contact from third party lenders, but he had not ticked the relevant box.

### *Our adjudicator's view*

The adjudicator found that Vanquis Bank had not made an error when it turned down Mr F's application for the credit card. She said it was under no obligation to advance credit to Mr F, even if it proactively contacted him in the first instance. And she did not find that it had been a marketing scam designed to mislead him into giving his details. But she found that the "opt out" box on the application form did not comply with the Lending Code requirements. So she recommended that Vanquis Bank should pay Mr F £300 for his distress and inconvenience.

Ms A did not agree that Vanquis Bank did not make an error when it turned down Mr F's application for the credit card. She said in particular that the application form gave the impression that Mr F had been selected as a suitable person, and Mr F had provided financial evidence that showed he had substantial cash deposits. And she said that Mr F has continued to receive correspondence from Vanquis Bank implying that he has been preapproved to apply for a credit card.

Vanquis Bank did not agree that the Mr F was not given adequate opportunity to opt out of contact from third parties. And it says that he was only contacted by a third party once, and so it did not feel that Mr F had suffered any material distress or material inconvenience.

### *My provisional decision*

After considering all the evidence, I issued a provisional decision on this complaint to Mr F and the bank on 27 February 2015. I summarise my findings:

- Although the application form referred to a "priority invitation", in my view it was clear that it was an application form;
- I agreed with the adjudicator that Vanquis Bank was free to decide whether to accept the application;

- Vanquis Bank had supplied evidence to this service to show why it turned down Mr F's application. I was satisfied, on balance, that it had correctly followed its own procedures in doing so. So I did not find that Vanquis Bank had made an error;
- The adjudicator also found that the "opt out" box on the application form did not comply with the requirements of the Lending Code. The Lending Code provides that a business must have the customer's specific permission to pass the customer's name and address to any company for marketing purposes. And it goes on to say that there are various acceptable methods of obtaining the customer's consent, including a clear and unambiguous clause above a signature box on an application form. The adjudicator felt that the wording was not sufficiently clear as it was not immediately above the signature box. But I didn't think that was the central issue here. Mr F specifically said, in his letter to Vanquis Bank dated 22 January 2014, that he "opted in". And so he should have been aware that he would receive contact from third parties. I appreciate he thought this might be different contact – he said he thought he might be offered goods. But I do not agree that he was misled by the wording as to the type of contact he might receive. On that basis I was not persuaded that it would be fair and reasonable to award Mr F compensation for distress and inconvenience.

Subject to any further representations by Mr F and Vanquis Bank, my provisional decision was not to uphold the complaint.

### **my findings**

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

Mr F does not agree with my provisional decision, essentially for the reasons he has previously given. But, having considered what he has to say, I am not persuaded to depart from my provisional conclusions. So I confirm them here.

### **my final decision**

My decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I am required to ask Mr F to accept or reject my decision before 8 May 2015.

Alison Cribbs  
**ombudsman**