

complaint

Mr M complains that Vanquis Bank Limited has started adding a new charge to his credit card each month with no warning or explanation.

our initial conclusions

Our adjudicator didn't recommend that the complaint should be upheld. She explained that the charges weren't new. Vanquis had simply changed the way it showed interest on purchases on the statements.

my final decision

To decide what is fair and reasonable in this complaint, I have considered everything that Mr M and the business have provided. Having done so, I've reached the same conclusion as the adjudicator.

Vanquis has explained that the way purchase interest is shown on statements was changed to provide greater clarity for account holders. No interest is charged on purchases shown on a statement if the full balance is paid by the due date. Otherwise, interest is charged on purchases more than 28 days old. The change that Vanquis has made is to split out the interest on purchases into two separate items on the statement. It is now shown as "billed deferred finance charge" where the transactions to which it relates have only become more than 28 days old since the previous statement date. Interest on older transactions is shown as "purchase interest".

Vanquis is entitled to charge interest at the rate provided for in the terms and conditions. That is what it is doing. I can see that the way interest is now shown might be confusing. But I'm satisfied that "Billed deferred finance charges" is just another way of describing some of the interest. And I'm satisfied that Mr M isn't being charged any more interest in total as a result of the change. So he isn't any worse off. It follows that I can't fairly require Vanquis to refund the interest charged to Mr M. Nor can I require it to change its terms and conditions to refer specifically to the term "Billed deferred finance charges".

My decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I am required to ask Mr M either to accept or reject my decision before 27 July 2015.

Juliet Collins

ombudsman at the Financial Ombudsman Service

The ombudsman may complete this section where appropriate – adding comments or further explanations of particular relevance to the case.

ombudsman notes

what is a final decision?

- A final decision by an ombudsman is our last word on a complaint. We send the final decision at the same time to both sides – the consumer and the financial business.
- Our complaints process involves various stages. It gives both parties to the complaint the opportunity to tell us their side of the story, provide further information, and disagree with our earlier findings – before the ombudsman reviews the case and makes a final decision.
- A final decision is the end of our complaints process. This means the ombudsman will not be able to deal with any further correspondence about the merits of the complaint.

what happens next?

- A final decision only becomes legally binding on the financial business if the consumer accepts it. To do this, the consumer should sign and date the acceptance card we send with the final decision – and return it to us before the date set out in the decision.
- If the consumer accepts a final decision before the date set out in the decision we will tell the financial business – it will then have to comply promptly with any instructions set out by the ombudsman in the decision.
- If the consumer does not accept a final decision before the date set out in the decision, neither side will be legally bound by it.