

complaint

Mrs W complains that Vanquis Bank Limited (Vanquis) has held her liable for a number of transactions that she says she did not make or authorise.

background

Mrs W took out a credit card with Vanquis in 2009. She soon decided that she was not happy with the account and phoned Vanquis three times to cancel the card. In one of the calls she paid off the balance of the account. She then cut up the card.

Vanquis did not close the account and in 2012 it sent her a replacement card. But by this time Mrs W had moved, so the card went to the wrong address. The card was then used for several online transactions totalling about £250. Mrs W was pursued for the balance of the account, including interest and charges which were added after the transactions.

Vanquis declined to refund the transactions, saying that there was no record of Mrs W closing the account and that it appeared that the card had been used correctly. Mrs W was unhappy with the bank's response and referred her complaint to this service.

Our adjudicator recommended that the complaint should be upheld. Briefly, he said:

- He was satisfied that in 2012 Mrs W did not live at the address where the replacement card was delivered. He believed it was possible that the card was misused by a person who lived there.
- In 2010 Mrs W brought her balance to zero and was entitled to cancel the card as she had requested on several occasions. But Vanquis did not carry out her instructions.
- The account was not used for three years. After the replacement card was issued to the old address, there was a flurry of online transactions. These did not require the PIN, only the card. This suggests that a third party used the card.
- Vanquis has not been able to prove that the transactions were carried out by Mrs W.

Vanquis did not agree with the adjudicator's conclusions. It made these points:

- While it appreciated that Mrs W had advised that she wanted to close the card, it would advise all customers to wait until there was a zero balance statement, and no agent would close an account until this was the case and with the customer's permission at that point in time.
- Mrs W did not notify the bank of her change of address.

my findings

I have considered all the available evidence and arguments to decide what is fair and reasonable in the circumstances of this complaint. Having done so, I have come to the same conclusions as the adjudicator and for much the same reasons.

I am satisfied that the evidence shows that Mrs W moved house and the new card was sent to her old address. Up to that point, the account had never been used. The new card was then used for transactions that did not require the PIN. On the balance of probabilities – in other words, what I consider is more likely than not to have happened, in the light of the available evidence – I believe that an unauthorised person took the new card and used it without Mrs W's consent. So I find that Mrs W should not be held liable for the disputed transactions, or for any interest and charges incurred. Vanquis should remove her debt.

I have listened carefully to the calls from 2010. It is clear that Mrs W made a payment to bring the balance to zero and instructed the bank to close her account. The bank seemed reluctant to close it, presumably in case there were further debits still to reach the account. In my view Mrs W was not given clear information about what would happen next. The balance remained at zero but the bank left the account open, despite her instruction to close it. I do not think it was her responsibility to contact Vanquis again or to notify the bank of her subsequent change of address. In any event, what I have to decide in this complaint is not whose fault it was that the card went to the wrong address, but whether Mrs W authorised the disputed transactions – and I am satisfied that she did not.

Mrs W has been put to a considerable amount of unnecessary trouble and anxiety by these events. In my view the bank has given her poor service from the start, so it should also pay compensation for her distress and inconvenience.

my final decision

My final decision is that I uphold this complaint and I order Vanquis Bank Limited to clear the outstanding balance of Mrs W's account and ensure that no further attempts are made, by Vanquis or any third party, to recover the debt from her. I also order the bank to restore Mrs W's credit file as if the disputed transactions had never occurred, and to pay £100 to Mrs W for the distress and inconvenience caused by these events.

Colin Brown
ombudsman