

complaint

Miss L complains that Vanquis Bank Limited mis-sold her a repayment option plan (ROP) that wasn't suitable for her circumstances.

background

The background to this complaint and my provisional conclusions were set out in my provisional decision dated 29 December 2015, a copy of which is attached and forms part of this final decision.

In my provisional decision I explained why I felt Miss L's complaint shouldn't be upheld. I invited the parties to let me have any further comments, before I reconsider the matter and issue my final decision. Neither party responded.

my findings

I've re-considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint.

Miss L and Vanquis haven't provided any further information or comments, so I see no reason to depart from the conclusions set out in my provisional decision.

my final decision

My decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss L to accept or reject my decision before 2 March 2016.

Claire Jackson
ombudsman

copy provisional decision

complaint

Miss L complains that Vanquis Bank Limited mis-sold her a repayment option plan (ROP) that wasn't suitable for her circumstances.

background

In 2010 Miss L took out a Vanquis credit card. The bank offered her a ROP at the same time. Miss L says she thought she had to take the ROP to get the credit card. And she wasn't told how the plan worked or that she could cancel it. She considers the ROP wasn't suitable - because she was in full time education at the time. And it didn't provide any benefit when she lost her part-time job in 2012. Miss L wants Vanquis to refund all of her ROP payments and pay compensation.

Vanquis says the plan wasn't mis-sold. An agent explained how it operated during the phone call when Miss L agreed to add the ROP to her account. And he told her the plan was optional and could be cancelled at any time.

Our adjudicator isn't persuaded the ROP was mis-sold. But she says Miss L told Vanquis she was in part-time work during the ROP sale call. So Vanquis should have offered Miss L its "full" plan which covers redundancy - instead of the "standard" plan which doesn't. Our adjudicator considers the full plan would have responded when Miss L lost her part-time job in 2012. So she recommends Vanquis should re-work Miss L's account as if she had the full ROP then.

Vanquis disagrees. It says Miss L said she wasn't working on her credit card application. And it wasn't wrong to offer her the standard plan because there's no evidence she had a job at the time of the sale. Vanquis believes Miss L had registered with an agency but hadn't actually started working at that stage.

my provisional findings

I've considered all the evidence and arguments available so far to decide what's fair and reasonable in the circumstances of this complaint.

Vanquis operates two different sorts of ROP. Both plans allow customers to miss payments or freeze their account temporarily if they experience "difficult financial circumstances". Those "circumstances" include (in summary) illness, natural disasters, loss of a close relative and jury duty - and, in the case of the full but *not* the standard plan, involuntary unemployment. The standard plan cost £1.19 per £100 of the monthly outstanding balance whereas the full plan cost £1.29 per £100, at the relevant time.

Our adjudicator says Vanquis should have offered Miss L the full plan here – because she'd just got a job. And I can see why our adjudicator reached that conclusion. But, having listened carefully to a recording of the call when Miss L was sold her plan, I have come to a different view.

Vanquis says Miss L stated she didn't work on the credit card application she completed two days before the ROP sale call. I think that's probably correct, as Miss L also told the agent (at the start of the sale call) that she didn't work.

I accept Miss L mentioned a part-time job later in the sale call. She said "*I do have a part-time job but I'm not really registered there yet because I only started last week*". But I don't think Miss L was very clear about whether she was working or not. And I'm not persuaded it was unreasonable for the agent to offer the Vanquis standard ROP.

A ROP isn't insurance. So Vanquis wasn't under an obligation to make sure it was suitable for Miss L – it just had to provide enough information for her to decide if she wanted the product on an informed

basis. I'm satisfied the Vanquis representative described the circumstances when the standard plan could be activated during the sale call – and those didn't include redundancy.

He also told Miss L what the plan cost - and said it was optional and could be cancelled at any time. The agent went on to say that Vanquis didn't provide "*a personal recommendation*" that the plan "*was suitable*" for Ms L's "*specific needs*". And he told Miss L to "*please refer to the terms and conditions in your welcome pack to make sure the ROP is the right product for you*".

Further details of the ROP were included in the welcome pack I'm satisfied Miss L was sent with her credit card. This included the relevant terms and conditions - which set out the differences between the two plans. So I consider Miss L had the opportunity to look at those and decide if the standard ROP she'd accepted during the phone call suited her needs. And if she didn't want it, Miss L could have cancelled or asked to change to the full plan - which cost more.

I don't think there's any dispute that Vanquis described the standard plan during the sale call. I'm satisfied it was made clear to Miss L that she should refer to the terms and conditions to check the standard plan was appropriate to her situation. And it was up to her to decide if she wanted it.

I appreciate it was disappointing for Miss L when Vanquis didn't activate her plan in 2012. But, I think Vanquis gave Miss L enough information to allow her to make an informed choice whether to add the ROP to her account. And, for the reasons I have given, I'm not persuaded the plan was mis-sold or that there are enough grounds here for me to reasonably find Vanquis did something wrong. It follows I don't think I can fairly uphold this complaint.

my provisional decision

Subject to any further evidence or representations I receive from Miss L or Vanquis, my provisional decision is that I am not minded to uphold this complaint.