

complaint

Mr O complains that Vanquis Bank Limited mis-sold him a card protection policy.

background

This complaint is brought on Mr O's behalf by a claims management company, which I will call C.

In 2012 a Vanquis saleswoman phoned Mr O and sold him an "Identity Theft Alert service." For £6.99 a month, which would be billed to his Vanquis credit card, he would have:

- access to his credit file with two credit reference agencies,
- access to a fraud team which would repair any damage to his credit file caused by identity fraud and deal with any legal issues for him, and
- regular online monitoring of websites on his behalf to check if his personal or financial details were being sold by criminals.

The policy was administered by a third party. He would receive a welcome pack which would include his login details, which he could use to activate the service and immediately check his credit file with both agencies.

Mr O's complaint is that the saleswoman was too pushy, and that the policy was mis-sold because he had not really agreed to it – he had just succumbed to the pressure of a hard sell. Vanquis did not accept that, and so C brought this complaint to our service.

Our adjudicator did not uphold this complaint. She listened to the call recording, and heard Mr O say that he had been a victim of fraud before. At the time of the call, he was already checking his credit file with one agency for £5 a month. The saleswoman told him that what one agency reports might not be reported by another agency, so he would be better off having access to two reports. And he could cancel the policy at any time. So the adjudicator thought that Mr O had been persuaded that he would be better off with the policy, and that Vanquis had done nothing wrong.

C said that the saleswoman had spoken too quickly, and hadn't let Mr O get a word in. Mr O had requested a booklet about the policy so that he could make up his mind before buying it, but this had been refused. He had never agreed to buy the policy – he had only been asked whether he was content to be sent the welcome pack. Mr O had been under the misapprehension that the policy cost only 50p more than he was already paying, when the difference was actually £2. C said the saleswoman had told Mr O that if he didn't get the policy then he'd be unable to get credit and would be left in a lot of debt – which was a misleading statement. There was no benefit in having access to two credit files. And he would be charged interest on his monthly payments, because they were credit card payments. C asked for an ombudsman's decision.

my findings

There is a redress scheme which covers some card protection policies, but having reviewed the scheme I do not think that it applies here. So I have considered all the available evidence and arguments to decide what is fair and reasonable in the circumstances of this complaint. I do not uphold it. I will explain why.

I agree that a second credit report might include information which would not necessarily be included in the first report. So I think that there is a benefit in having two reports instead of one. I don't accept C's argument that the second agency is "a subordinate part of the industry," or that there was no value in having this additional service. Also, this was not the only service provided by the policy. There were also the other services which I have summarised above.

I have listened to the call recording. Early in the call, the saleswoman told Mr O that if criminals fraudulently take out loans in his name, then it could stop him getting credit in future, or leave him with a lot of debt. I don't agree that that is quite the same thing as telling him that those things would happen if he didn't buy the policy. I don't think the saleswoman misled him.

I think this was an advised sale, as the saleswoman told Mr O that the policy was better value for money, and provided better protection than his existing arrangement. But I don't find that the product was unsuitable for his needs, or that it was not explained to him properly, or that it was such a pressurised sale that he did not really agree to the policy. The services offered were explained to him more than once, and while I accept that the saleswoman spoke very quickly, I think that Mr O did understand her, and understood the policy. He did not ask her to slow down or repeat herself.

I think that C does make a reasonable point about the part of the call in which Mr O says that the policy will only cost him about 50p extra (after he had been told the price was £6.99 a month, compared with the £5 he was paying at the time). Taken on its own, that would indeed suggest that he had not understood the price, which was actually £2 extra. But it would be wrong to take that part of the call in isolation. At the end of the call, the saleswoman later told him the price again. (Also, the full terms and conditions, including the price, are in the welcome pack.) She told him that he could cancel the policy within 21 days of receiving the pack and receive a full refund. So I think Vanquis did enough to tell him the price, and I think it's likely that Mr O understood what it was. I also accept that he was told, and that he knew, that his credit card would be billed for the service. So he must have known he would pay interest on those payments in line with the terms of his credit card account.

Having regard to the 21-day cancellation period, and to chapter 5 of the *Conduct of Business Sourcebook*, I think that it wasn't necessary to send Mr O a booklet to explain the policy further. No such booklet exists, but all the information he needed to know was in the welcome pack, and if he had changed his mind within 21 days of receiving it then he would not have been bound by the contract. So I don't accept that the policy was mis-sold just because no booklet was sent before he agreed to receive the welcome pack.

It's true that Mr O agreed to be sent the welcome pack, rather than specifically saying that he agreed to buy the policy. But considering the context in which this happened, I don't think this is a distinction which matters. Immediately before the saleswoman asked him if she could send him the welcome pack, she told him that he would be billed for the first monthly payment within ten days. She also told him that he could cancel the policy within 21 days of receiving the pack and get a full refund. So it was made clear to Mr O that if he agreed to receive the pack, then he would be billed for the first month, and for subsequent months, unless and until he told Vanquis that he didn't want the policy. In that context, I think his acceptance of the welcome pack amounted to acceptance of the policy, subject to his right to cancel it. He did not cancel it within the 21 days (or for some months afterwards). So I find that he did buy the policy.

For all of these reasons, I do not think that the policy was mis-sold.

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 Mr O to accept or reject my decision before 18 August 2017.

Richard Wood
ombudsman