

complaint

Mr R complains that Vanquis Bank Limited is pursuing him for a debt he does not owe.

background

In February 2015 Vanquis received an application for a credit card. The application was in Mr R's name, with his address and date of birth. Vanquis opened an account and sent him a credit card and, separately, a PIN. Shortly afterwards Vanquis set up a direct debit from Mr R's current account with another bank to pay the credit card bills. Vanquis did this because someone who said he was Mr R told it to in a phone call. But Mr R says he did not apply for the credit card or set up the direct debit. He says he was the victim of identity fraud. The first he knew about it was when the first payment was debited in April 2015, for nearly £280.

The bank where Mr R has his current account cancelled the direct debit and refunded his money under the direct debit guarantee scheme. This left the Vanquis account in arrears. So Vanquis is pursuing Mr R for the money it says he owes.

Mr R complained to our service. But our adjudicator did not uphold his complaint. She thought it was unlikely that a fraudster was responsible. A fraudster would have had to intercept Mr R's post twice to get the card and PIN, and know Mr R's current account details to set up the direct debit and credit card. Mr R says he moved house on the day after the date of the credit card application. He thinks that someone who still lives at his old address could have known his details and intercepted his mail. So he has asked for an ombudsman to look into his 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.

I accept Mr R's argument that it would have been possible for someone else to intercept his post if they had lived with him at his old address and still lived there. If someone did that, they would be able to find out his current account details and set up a direct debit. And they could apply for a credit card and receive the card and PIN. But on balance, I don't think that happened.

I think a fraudster will try to keep a fraud going for as long as he can, to steal as much money as possible before he is detected. But setting up a direct debit to fund the credit card account makes it likely that the fraud will be detected earlier than if there was no direct debit. Mr R says he discovered the fraud when he noticed the first direct debit payment and didn't recognise it. I think a fraudster would anticipate that, and not set up a direct debit in the first place. And I see no reason for a fraudster to set up a direct debit. By the time the credit card account goes into arrears and defaults, he will have had more than enough time to plunder the account up to the credit limit.

my final decision

So my decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr R to accept or reject my decision before 23 November 2015.

Richard Wood
ombudsman