

complaint

Mrs F complains that she was mis-sold a Repayment Option Plan (ROP) by Vanquis Bank Limited.

background

Mrs F took out a Vanquis credit card in 2004 and the bank says she opted to take out the ROP. This was charged monthly and shown on her statements. The ROP was cancelled in December 2009. Mrs F has since fallen into financial difficulties and her credit card debt has been passed to a debt collection agency with which she has a repayment plan. She complained to Vanquis in the summer of 2014, but it rejected her complaint. It said she had taken out the card during a phone call and she had agreed to take out the ROP at the same time. It had confirmed the details in the terms and conditions which were sent out with the card.

Mrs F remained dissatisfied and brought her complaint to this service. The adjudicator did not recommend that this complaint be upheld. She noted that Vanquis no longer had a recording of the call due to the passage of time, but she was satisfied that the call handler would have followed the required script and asked Mrs F if she wished to take out the ROP. This was followed up by written confirmation. She also noted that the ROP was clearly set out in each statement received by Mrs F and she should have been aware that she had taken it out.

Mrs F did not agree and said Vanquis should only be allowed to take the monthly payments if it had got a signed agreement from her. Without that, the bank cannot show it had her consent. She also said that she should have had the benefit of the ROP when she fell into financial difficulties. The adjudicator noted that Mrs F did not encounter her financial problems until after she had cancelled the ROP.

my findings

I have considered all the available evidence and arguments to decide what is fair and reasonable in the circumstances of this complaint.

Vanquis provide credit cards to customers who apply by phone and then confirm the agreement in writing later. I acknowledge that Vanquis no longer has a recording of the call, but that is not surprising given the time that has passed since Mrs F took out the card. However, I have read the script used by Vanquis and it asks callers if they wish to take out a ROP after explaining what it offers. Vanquis' records show that she did. While I am sure Mrs F believes she didn't, I consider it more likely than not that she did agree to take out the ROP. Her agreement to the ROP was confirmed by Vanquis in writing and her subsequent statements clearly showed that she had agreed to take out the ROP. On balance I do not consider it reasonable to assume that Mrs F was not aware that she had taken out the ROP.

The ROP is not an insurance product and as such Vanquis is only required to have given Mrs F sufficient information to allow her to make an informed choice. I consider the information I have seen shows that Vanquis did provide sufficient information to Mrs F and that she made the choice to take it out.

Mrs F says she did not obtain any benefit from it when she encountered financial difficulties. However, I note that she cancelled the plan before she had need of it. The adjudicator has queried when Vanquis was aware that Mrs F was struggling financially and I am satisfied that it was not notified of any problems before she cancelled the ROP.

my final decision

My final decision is that I do not uphold this complaint. Under the rules of the Financial Ombudsman Service, I am required to ask Mrs F to accept or reject my decision before 27 February 2015.

Ivor Graham
ombudsman