

## **complaint**

Mr W complains about the way Vanquis Bank Limited managed his credit card account. He's unhappy that arrears built up even though he has a direct debit set up to pay the required minimum payment monthly. He says he wasn't kept adequately informed about the status of his account.

## **background**

Our adjudicator partly upheld Mr W's complaint. He explained to Mr W that the amount owing for breaching his card limit was separate from the minimum payment required. So, whilst he'd been paying by direct debit every month, the account continued to be charged fees for being over the limit.

But he felt that as Vanquis hadn't provided Mr W with correct information in October 2014, it should refund some of the interest and fees applied on Mr W's account after that. And it should rework Mr W's account as if he'd brought it back within his credit limit and remove adverse information put on his credit file as a result of what had happened. Our adjudicator also felt Vanquis should pay Mr W £100 compensation.

Vanquis disagrees, so the complaint has been referred to me.

## **my findings**

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint. And, after looking at what's happened, I've come to the same conclusions as our adjudicator. Here are my reasons.

It's up to Mr W to manage his account responsibly and stay within his agreed credit limit. Mr W hadn't been able to see account information online for some time. But Vanquis sent Mr W numerous text messages to advise him he was over his limit. And it had told him he should get in touch if he didn't get his monthly statements. Vanquis Bank was entitled to charge Mr W a fee for going over his credit limit. So, I don't think it was unfair or unreasonable for Vanquis to apply charges and interest in line with its terms and conditions in this situation.

But I find Vanquis is responsible for providing poor service when Mr W contacted it round about October 2014 to discuss his account. In these circumstances I'd expect Vanquis to clarify what the situation was on his account. And explain how arrears had built up and why charges were being added to his account. This didn't happen - instead Mr W was misinformed (in more than one phone call) and provided with wrong information.

And when Mr W complained to Vanquis, I think it would have been more helpful if the final response letter it sent him had explained how he'd gone over his credit limit. Mr W still didn't see how that could have happened. So this added to his anxiety about how to deal with his credit card debt. He's been understandably concerned about agreeing repayment arrangements in these circumstances.

Vanquis says some calls were handled poorly - but this didn't mean Mr W couldn't address the matter in October 2014. And I've taken this viewpoint carefully into account before coming to my decision. But Mr W was entitled to ask the bank to provide a clear explanation about what he owed and why payment was properly due. Had Vanquis done so, I think Mr W might have taken steps then to put his account in order and bring his balance back within his

credit limit. So I find it's not fair or reasonable that Vanquis is holding Mr W responsible for extra costs on his account run up after it gave him wrong information and missed chances it had to clarify his situation.

I've come to the same conclusions as our adjudicator. I think the fairest way overall to settle this complaint is to put Mr W into the position he'd have been in if Vanquis had provided the level of service to Mr W I'd expect it to after he contacted the bank in October 2014.

And in these circumstances, I think it's reasonable to require Vanquis to pay compensation to Mr W. So I've decided on an amount that I think fairly reflects the confusion and frustration Mr W has experienced as a result of Vanquis' actions from October 2014 onwards.

### **my final decision**

For these reasons, I uphold this complaint. I order Vanquis Bank Limited to:

- refund default interest charges to Mr W's account since 10 October 2014
- refund over limit fees charged to Mr W's account since 10 October 2014
- rework the account so that interest charged after 10 October 2014 is based on a balance of £2,250 (his credit limit) on that date.
- remove any adverse information reported to Mr W's credit file since 10 October 2014
- pay Mr W £100 compensation.

Under the rules of the Financial Ombudsman Service, I am required to ask Mr W to accept or reject my decision before 17 August 2015.

Susan Webb  
**ombudsman**