

complaint

Mrs S complains about the service she received from Vanquis Bank Limited ("Vanquis") when trying to close, and ultimately closing, her credit card account ("account") with it.

Mrs S is represented in this complaint by her partner, Mr S. He has made submissions to both Vanquis and our service on Mrs S' behalf. But for simplicity, I will simply refer to Mrs S throughout this decision rather than Mrs S and Mr S.

background

Mrs S called Vanquis on 10 July 2018 to establish how much she needed to pay to close her account.

Understanding that she needed to pay £10 capital and £3 interest, Mrs S paid Vanquis £14. However, it transpired that there was no interest due on Mrs S' account so it was ultimately closed with a £4 credit balance.

However, rather than refunding this credit balance of £4 to Mrs S, Vanquis wrote it off. In doing so, Vanquis relied on section '16.4' of Mrs S' account terms and conditions.

Mrs S' complaint was considered by one of our investigators who found that it should be upheld. And that the appropriate remedy would be for Vanquis to pay Mrs S £25. In summary the investigator said that the service Vanquis provided Mrs S over the phone on 10 July was below the standard Mrs S was reasonably entitled to expect. And that this level of service had caused Mrs S distress and inconvenience, and a 'loss' of £4.

Mrs S accepted the investigator's findings but Vanquis didn't. Therefore the complaint has been passed to me for review and decision.

my findings

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

I've read Vanquis' final response letter dated 3 September 2018. Having done so I'm satisfied that although reference to Mrs S' call of 10 July 2018 is made at the beginning of it, this letter simply addresses and offers compensation for the service provided to Mrs S in the call of 3 July.

Therefore I'm not persuaded that Vanquis's offer of £25 (made in its final response letter) could be said to be for the complaint under consideration here, which *isn't* about the service Mrs S received from Vanquis over the phone on 3 July, but about the service she received from it over the phone on 10 July.

I accept that 16.4 of Mrs S' account terms and conditions state:

"If your Account is in credit at the time of closure, we reserve the right not to repay to you any amount less than £5 due to administrative costs"

But having listened to the call that occurred on 10 July I'm persuaded that Vanquis should have understood that Mrs S believed that in the event her account was closed with a credit balance, this balance (regardless of size) would be returned to her. And what Vanquis should then have done was point out to Mrs S that a credit balance of less than £5 wouldn't be returned, but written off.

Furthermore I'm satisfied that had Vanquis pointed out to Mrs S that in the event her account was closed with a credit balance of less than £5 this credit balance wouldn't be returned to her, she would have (on the balance of probabilities) either paid to Vanquis:

- £10 in July followed by any accruing interest in August, or;
- substantially more than £14 in July such that a credit balance in excess of £5 would have resulted on account closure

Therefore I'm satisfied that the service Mrs S received from Vanquis over the phone on 10 July was below the standard she was entitled to expect. And a fair compensation sum for Vanquis to have to pay for this is £25 (inclusive of the £4 credit).

In closing I would like to make it clear that I've made no finding in this decision about any complaint Mrs S might have about the service she received from Vanquis on 3 July and for which Vanquis, as I understand it, has offered an additional £25.

my final decision

My final decision is that I uphold this complaint. Vanquis Bank Limited must pay Mrs S £25 in full and final settlement of this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs S to accept or reject my decision before 1 December 2018.

Peter Cook
ombudsman