

complaint

Mrs Y complains that Vanquis Bank Limited will not refund £390 which she paid, using her Vanquis credit card, for claims management services that were not provided.

our initial conclusions

Mrs Y paid for the services in May 2012. The service provider contacted her in June 2012 to say it would start work. She heard nothing more, and when she tried to contact it she was unable to do so. In fact, on 28 August 2012 the claims provider surrendered its authorisation from the Ministry of Justice. On 25 September 2012, Mrs Y asked Vanquis to help her recover the fee she had paid.

Our adjudicator recommended that this complaint should be upheld. He considered that Vanquis could have made a successful chargeback of the payment, as Mrs Y contacted it within 120 days of the service provider surrendering its authorisation, and so becoming unable to provide the service. Alternatively, he considered Mrs Y had a valid claim against Vanquis for a refund under section 75 of the Consumer Credit Act 1974.

Vanquis responded to say, in summary, that Mrs Y had not told it that the service provider's authorisation had been withdrawn, and had not said she was claiming under section 75.

my final decision

To decide what is fair and reasonable in this complaint, I have considered everything that Mrs Y and Vanquis have provided. Having done so, I find that I have come to the same conclusions as the adjudicator, and for broadly the same reasons.

If, when Mrs Y contacted Vanquis, it had made reasonable enquiries of Mrs Y, I consider it would have become apparent that it could make a chargeback claim which was likely to have succeeded. It would also have been apparent that she had a valid claim against Vanquis under section 75.

My decision is that I uphold this complaint, as set out more fully overleaf.

Under the rules of the Financial Ombudsman Service, I am required to ask Mrs Y either to accept or reject my decision, in writing, before 30 July 2013.

Lennox Towers

ombudsman at the Financial Ombudsman Service

The ombudsman may complete this section where appropriate – adding comments or further explanations of particular relevance to the case.

ombudsman notes

In full and final settlement of this complaint, I order Vanquis Bank Limited to:

- 1. refund to Mrs Y the fee of £390 she paid;**
- 2. rework Mrs Y's credit card account from and after 8 October 2012 (being 14 days after 25 September when she approached Vanquis) until settlement as if the £390 had been credited to her credit card account on 8 October 2012, and refund any interest she has overpaid as a result; and**
- 3. pay her a further £100 as compensation for the distress and inconvenience she has suffered.**

what is a final decision?

- A final decision by an ombudsman is our last word on a complaint. We send the final decision at the same time to both sides – the consumer and the financial business.
- Our complaints process involves various stages. It gives both parties to the complaint the opportunity to tell us their side of the story, provide further information, and disagree with our earlier findings – before the ombudsman reviews the case and makes a final decision.
- A final decision is the end of our complaints process. This means the ombudsman will not be able to deal with any further correspondence about the merits of the complaint.

what happens next?

- A final decision only becomes legally binding on the financial business if the consumer accepts it. To do this, the consumer should sign and date the acceptance card we send with the final decision – and return it to us before the date set out in the decision.
- If the consumer accepts a final decision before the date set out in the decision we will tell the financial business – it will then have to comply promptly with any instructions set out by the ombudsman in the decision.
- If the consumer does not accept a final decision before the date set out in the decision, neither side will be legally bound by it.