

complaint

Miss R complains that Vanquis Bank Limited made mistakes in closing her credit card and overcharged her.

background

In early 2013 Miss R decided to close her credit card with Vanquis and phoned the bank to find out what her balance was. She had not been using the card for a while and had been making the minimum monthly payments. She was told the minimum payments had not kept her account below its limit in recent months so she had incurred charges. The bank agreed to reduce the charges by half.

Miss R was told how much she owed and arranged for that to be paid. She then expected to have a small interest charge left to pay off. However, she received a demand for a much larger sum. The balance she had been given had presumed her monthly direct debit payment would be made for that month, but Miss R cancelled it believing the bank had advised her to do so. The bank also failed to remove half the charges as it had agreed to do.

Miss R says she phoned and wrote to the bank on numerous occasions to try and resolve the matter and it failed to respond in any constructive way. At the same time she says it bombarded her with calls demanding she pay the outstanding balance. Miss R complained to the bank and it apologised and agreed to credit her account with half the charges as previously agreed and also to credit a further three late payment charges. Miss R complained to this service.

The adjudicator recommended that this complaint be upheld in part. She agreed that Miss R should pay the final month's direct debit payment, which had been cancelled due to a misunderstanding between the bank and Miss R, plus a small amount of interest. However, she considered that Vanquis had not provided Miss R with an acceptable level of service in dealing with the complaint and it should pay compensation of £75. Vanquis did not agree.

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 that there was some confusion during the conversation in which Miss R sought to close her account. This meant she was given a balance figure which fell short by one month's minimum payment. I agree with the adjudicator that Miss R should pay the missed final direct debit sum plus the small amount of interest due. Vanquis has already agreed to credit her account with half the charges as agreed initially and a further three late payment charges. This would put her in the position she should have been in if she had paid the final direct debit.

However, I accept Miss R made frequent calls to Vanquis to resolve the problem and it did not respond constructively until it issued its final response letter. It says that it called her frequently, but I suspect those calls were to chase up the outstanding money rather than to solve the problem. I conclude the bank did not provide the level of support it should. I consider the adjudicator's recommendation that Vanquis pay Miss R £75 compensation for distress and inconvenience to be fair and reasonable.

my final decision

My final decision is that I uphold this complaint in part. I direct Vanquis Bank Limited to pay Miss R £75.

Ivor Graham
ombudsman