

complaint

Mr E complains that Vanquis Bank Limited charged him late payment and interest charges on his credit card when he had difficulty in clearing a debt. He thinks the bank should refund £40.31. He also complained about the way he was contacted about the debt, explaining he could not take telephone calls, and asking for written responses to his letters.

background

Mr E wrote to Vanquis to say he had been made redundant, and offered to make payments of £20 a month towards a debt. He also asked that contact with him was by letter, because he was busy seeking employment, and found the number of telephone calls distressing.

Mr E's offer was rejected by Vanquis and it wrote to Mr E asking for £35 a month, but did not tell Mr E what interest rate would be applied. Mr E said he did not receive this letter, the offer of £35 a month was withdrawn, and a default notice was issued.

Mr E repeated his offer of £20 a month and asked for charges and interest to be suspended. He again asked for a written reply. Vanquis then sent a letter requesting £35 a month, and a later letter asking for £37 a month. Neither letter mentioned interest or charges. Mr E agreed to pay £35 a month, and asked again about interest and charges. He did not receive a response to this letter. This arrangement was then cancelled, and the account passed to a debt collection agency.

The adjudicator recommended that part of Mr E's complaint should be upheld. He thought that Mr E had clearly asked for responses in writing, yet telephone calls had continued. He also considered that the letters that had been sent to Mr E had not been clear about the interest rates that would be charged, and Mr E had not received a reply to some of his letters and questions. The adjudicator recommended that Vanquis pay £50 to Mr E to acknowledge the distress and inconvenience caused to him.

Vanquis disagreed. It said that it is better and quicker to contact customers by phone, and its systems are such that other options available to its staff are limited. The bank also said that it was reasonable for Mr E to return telephone calls, and it considered that Mr E's actions indicated a customer avoiding a debt rather than attempting to pay.

my findings

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

It is the case that Mr E missed payments, and interest and charges were applied to his account in line with the terms and conditions of that account. I do not consider that these should be refunded.

I agree with the adjudicator that the way Vanquis handled the matter caused Mr E distress and inconvenience. Mr E wrote to Vanquis several times, explaining his situation and making offers of payment. The replies sent to Mr E were not clear about the interest that would be charged, and Mr E did not receive a response to one of his letters. While it may have been quicker and easier for the bank to call Mr E, he had clearly explained why he preferred letters, and it is reasonable to expect Vanquis to be able to respond to Mr E in writing.

my final decision

My final decision is that I uphold this complaint in part.

In full and final settlement of his complaint, I order Vanquis Bank Limited to pay Mr E £50 in recognition of the distress and inconvenience caused.

Heather Clayton
ombudsman