

complaint

Miss F complains that Vanquis Bank Limited made mistakes on her account, mis-sold a product to her and has not treated her financial difficulties fairly.

background

Miss F sent an email to Vanquis in June 2014 saying that she had moved. She also said that she was not able to make the minimum payments to her account. Vanquis wrote back, but to her old address, and said that it could offer her a repayment plan of £34 a month for three months.

It tried to speak to her on the phone in July and August 2014 but she did not want to go through its security procedures. Miss F did not receive statements. She complained in December 2014 and Vanquis accepted that it should have written to her at the new address asking for verification of her move. It refunded all late payment charges to her account from July 2014 to January 2015. It eventually sent her copies of her missing statements. Miss F then asked questions about a monthly charge for a repayment option plan (ROP) product. She said that this had been mis-sold. The policy was cancelled and three monthly charges- from the time she complained about it- were refunded with interest –a total of £81.84.

The adjudicator did not recommend that Vanquis do any more. She said that:

- Vanquis had made a mistake in dealing with the change of address.
- Despite this Miss F had a responsibility to make payments to her account – she could not have guessed the minimum payments- but she could have phoned or used the online service.
- She thought Vanquis had done enough to deal with this error even taking into account that its final response had also initially be sent to the old address.
- The ROP was applied to Miss F's account in January 2009 and no telephone recording of the sale now existed.
- Vanquis had provided a copy of the script used to sell the product which explained that it was not compulsory and set out the benefits and costs.
- She could not conclude that it had been mis-sold even if Miss F was not now aware of the details.
- Vanquis had acted reasonably in now cancelling the product.

Miss F did not agree and said, in summary, that the adjudicator's opinion about the ROP did not make sense. Miss F said that if she did not know about the ROP it must have been mis-sold. She also wanted to know why Vanquis did not offer to activate the ROP when she told it about her financial difficulties. And she provided details of an ongoing exchange of text messages about payments with Vanquis in 2015. She clearly found these frustrating and unproductive. She was not prepared to give personal information by text and wanted her complaint to be resolved.

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 noted that Miss F's initial complaint to Vanquis was not about the activation of the ROP. I didn't think that it was sensible to separate this into a new complaint. So I asked Vanquis to address this. It recognised that if it had been able to discuss her financial circumstances in

June 2014 it may have been possible to activate the plan. But it had wanted to speak to her urgently about her situation. It offered to refund the ROP premiums and interest charges – total £233.14 – for the period from June to August 2014. I also asked it to provide a list of the text messages it had sent to Miss F in 2014 about the minimum payments that were due.

I asked the adjudicator to write to Miss F with the updated offer from Vanquis. So she sent an email and followed this up. She had a clear month to provide comments and there has been no contact about this from Miss F. I don't think it's appropriate for me to wait any longer to issue my decision. But I must work on the basis that Miss F does not accept the offer that's been made.

I'll address each part of the complaint in turn.

the ROP plan

I don't think it's reasonable to expect Vanquis to have a recording of the call in which the plan would have been sold given the time that's passed. It's set out how its staff ought to have dealt with this at the time. And the monthly charges have been set out clearly enough on Miss F's statements since the plan was started. I have insufficient evidence to conclude that the plan was mis-sold to her.

change of address

I agree with what the adjudicator has said about this. Vanquis did not deal with this correctly. Statements went to Miss F's old address for several months. I appreciate she says that she could not guess what the required payments were. And she was not confident that the text messages telling her the minimum payment were correct.

dealing with financial difficulty

I've read the email that Miss F sent Vanquis in June 2014. She clearly said her financial circumstances had changed. And she was not able to commit to make future payments. The minimum payment she knew about from her May 2014 statement was not paid. She was able to make a payment of £500 in July 2014.

I don't think it was unreasonable for Vanquis to want to talk to Miss F about her financial difficulties. As already set out, its letter did not reach her. But it did try to speak to Miss F. I'm not clear why Miss F did not seem to want to have these conversations or did not phone back. By the time Vanquis called her at least two statements were missing. She'd had no confirmation that her payment proposal had been accepted. And the text messages she'd received suggested that this had not been agreed.

It might have been appropriate for the ROP to be activated. In my view that could only have properly followed a conversation to discuss Miss F's financial circumstances. I'm not clear whether Miss F is saying that if she had received its letter in June 2014 she would have called. But I think that Vanquis' subsequent attempts to call her were a considerable mitigation of its original error with her address.

compensation

I understand that Miss F wanted all fees and interest refunded from the date she told Vanquis about her financial difficulties. I don't think that's reasonable. It's refunded all late

payment charges in the period it was out of contact with her. It's also now offered to refund interest and the ROP monthly charges for three months from June 2014 to September 2014. I think that's a fair offer taking into account all its actions. As I said above I don't think the ROP was mis-sold but Vanquis backdated the cancellation to the date Miss F first raised an issue about it.

Taking all the elements of the offer together I'm satisfied that the total compensation offered by Vanquis to resolve this complaint is fair.

my final decision

My decision is that Vanquis Bank Ltd need take no more action than it has offered to as set out above. The outstanding refund it has additionally now offered to pay is £233.14.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss F to accept or reject my decision before 1 February 2016.

Michael Crewe
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