

complaint

Mr S complains that he was mis-sold a Repayment Option Plan (ROP) by Vanquis Bank Limited.

background

Mr S applied for a Vanquis credit card in 2010 and opted to take out the ROP. This was charged monthly and was shown on his statements.

Mr S says the terms of the ROP weren't made clear to him. He says he wasn't made aware that the ROP would allow him to freeze his account in certain circumstances. Instead, he thought it was an insurance product. He says he didn't receive any paperwork relating to the ROP and he wasn't given details of the cost.

The adjudicator did not recommend that this complaint be upheld. She listened to the call recording. The costs and benefits were clearly explained during the call and further information was included in the welcome pack.

Mr S disagrees with the conclusions of the adjudicator. He says he never received any terms and conditions. He wants Vanquis to refund the ROP payments.

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 broadly agree with the adjudicator's conclusions.

I have listened to the activation call recording between Mr S and Vanquis. Mr S called the bank in December 2010 in response to a number of missed calls. A member of staff explained that the bank was trying to call him to complete his credit card application. On this call the bank asked Mr S whether he wanted to take out the ROP. The bank explained the costs and benefits of the ROP and said that it was optional. It also said that it had not provided Mr S with a recommendation based on his suitability.

Based on the call recording, I find that Mr S was given the information that he needed to make a decision about adding the plan to his credit card. The member of staff explained that the ROP wasn't an insurance product. Instead, he could use it to freeze his monthly repayments in certain circumstances. During the call, Mr S asked the member of staff whether the fact he has had depression for a number of years would stop him from claiming. The member of staff offered to check but Mr S went on to confirm he did want to take the ROP. As the terms of the ROP don't exclude pre-existing conditions, such as depression, I don't find that the product was unsuitable for Mr S.

Vanquis told Mr S that he would receive further information about the plan with his information pack and that he could cancel it any time. Mr S says he didn't receive any paperwork but as Mr S did receive his credit card, I am persuaded it's more likely than not that the information pack was sent at the same time.

I can see that the cost of the ROP is shown on a number of account statements, so Mr S should've known that he was paying for it each month.

Mr S told us that he has some learning difficulties, so I have taken this in to consideration when reaching my decision. It doesn't appear that Mr S made the bank aware of the difficulties he suffers. And during the activation call, Mr S asked a number of questions to help him decide whether to take the ROP. On balance, I am satisfied Vanquis gave Mr S enough information to make an informed choice and I don't find the ROP was mis-sold.

my final decision

My decision is that I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I am required to ask Mr S to accept or reject my decision before 28 May 2015.

Gemma Bowen
ombudsman