

## **complaint**

Ms S complains Vanquis Bank Limited misrepresented its credit card to her.

## **background**

Ms S bought a sofa at a store. The store had a buy now pay later credit facility. Ms S applied for this but was declined. She later received an application through the post for a Vanquis credit card which used the store's name in its branding. Ms S says that because she needed a new television she decided to purchase one from the store to take advantage of the interest free facility she assumed – incorrectly – she was getting. But when the first statement was received from Vanquis it showed an interest charge. She is also unhappy that the rates of interest on her credit card do not match the rates quoted on the website.

The adjudicator did not recommend the complaint should be upheld. In her view she was satisfied that the call handler did tell Ms S about the interest rates applicable to her card. She also thought that the welcome pack sent to Ms S detailed the interest rates and gave her a 14 day cooling off period in which to withdraw from the agreement. She noted that a six month interest free benefit wasn't mentioned by Ms S or the call handler when the application was made. And although Ms S didn't receive Vanquis's final response letter that it was most likely it was sent.

Ms S – through her representative – disagreed. In summary he said it was clear to him that the names of the products are similar and misleading so misleading in fact that an employee of the store and Vanquis failed to recognise the distinction between the two products. He also said there are dangers in hiding the detail in the fine print and the interest rates advertised are misadvertising.

The adjudicator issued a second view in which she said she accepted the name of the store card and credit card were similar but pointed out in the call she'd listened to the card was referred to as a Vanquis Credit card. She didn't think the card was misrepresented to Ms S and a six month interest free period wasn't discussed. She thought Ms S was informed of the interest rate applicable to her card and the representative rate advertised online is not always the rate offered at the time an application is made for a credit facility and this was set out in the frequently asked questions section.

Ms S's representative still felt the credit card account was misrepresented. He couldn't understand why Ms S should have been expected to understand the difference between the cards when staff couldn't understand the difference. He thinks Vanquis should have known that customers were likely to be confused and should have made it clear that it wasn't the card she had originally applied for.

## **my provisional decision**

I agreed with the adjudicator regarding the way the interest rate was advertised and that Ms S should have realised – given the information supplied to her – that her card didn't have an interest free period of six months by the time she used it.

But I came to different conclusions from the adjudicator regarding what happened after Ms S received her statement showing interest. I thought when Ms S called it after receiving the statement it should have been clear to Vanquis that Ms S's had a mistaken belief and that it should have explained that she didn't have an interest free period at this point.

I thought it would be fair for Vanquis to pay Ms S £100 to compensate her for the frustration caused by this.

### **responses to my provisional decision**

Both Ms S and Vanquis have accepted my provisional decision.

### **my findings**

I've reconsidered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint.

Neither party had anything more to add. So I see no reason to depart from my provisional findings. I confirm them here for the reasons set out above.

### **my final decision**

My decision is that I uphold this complaint in part. I order Vanquis Bank Limited to pay Ms S £100.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms S to accept or reject my decision before 7 July 2016.

Nicola Wood  
**ombudsman**