

complaint

This complaint's about a credit card account Mr G used to hold with Vanquis Bank Limited. Mr G complains that Vanquis failed to freeze interest and charges whilst he disputed some transactions, and then defaulted the account after we decided the transaction dispute in its favour.

background

In late 2010, Mr G complained about transactions on his credit card account that he said he hadn't authorised. When that complaint came to us, one of my fellow ombudsmen concluded that the transactions were valid. She therefore decided there was no basis to tell Vanquis to refund the transactions, or any interest or charges arising from them. Following that decision, Vanquis placed a default on the credit card account, and shortly after that, closed the account and passed the outstanding debt to a third party.

Mr G's current complaint is firstly, that Vanquis should have frozen the interest and charges on the transactions whilst they were in dispute, and secondly that it shouldn't have defaulted the debt and reported the default to credit reference agencies.

The adjudicator explained that we wouldn't be able to look at the first part of the complaint, because it was essentially a duplication of what the ombudsman had already decided in the earlier complaint. On the second part, meanwhile, she didn't think Vanquis had done anything wrong. Mr G doesn't agree on either count, so the case comes to me to decide.

my findings

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

The effect of the decision by my fellow ombudsman in the first complaint was that Vanquis had been entitled to apply interest and charges on the debt formed by the transactions Mr G was disputing at the time. There's no proper basis for me to revisit and second-guess another ombudsman's decision, and I don't do so here.

As far as the second part is concerned, I agree with the adjudicator that Vanquis hasn't done anything wrong. Mr G owed it money, and hadn't paid anything towards the debt for several months. Vanquis took no action to pursue the debt whilst the complaint about the disputed transactions was with us. But once that had been concluded by the ombudsman's decision, I consider Vanquis was entitled to pursue normal debt recovery action.

That action took the form of issuing a default notice, following which, in the absence of a response from Mr G, it closed the account, passed the debt to a recovery agent and reported the event on Mr G's credit file. None of those steps was, in my view, unreasonable or unfair. It's worth mentioning that one effect of Vanquis taking this action is that interest was frozen on the outstanding debt.

my final decision

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

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr G to accept or reject my decision before 16 May 2016.

Jeff Parrington
ombudsman