

complaint

Mrs M complains that Vanquis Bank Limited failed to set up a repayment option plan when she fell into financial difficulties. She wants Vanquis to set up the plan, remove the default marker from her credit file and pay her compensation of £150.00

background

Mrs M has a credit card with Vanquis Bank Limited. She was employed on a zero hours contract and started to struggle to make her payments on the card.

She contacted the bank in October 2016 to explain her position.

The bank advised her she had a repayment option plan, which would freeze the interest and charges on her card. The plan allowed Mrs M to make any repayments she could afford which would come straight off the balance or just take a break until things improved.

The bank needed evidence that her contract had ended and advised Mrs M that once they received the appropriate documents, the plan would be instigated.

Mrs M sent the documents in four or five times but the plan was not set up and her account had been passed to a debt collection agency.

Mrs M called the bank to ask why they had taken this action when she felt she had done everything they had asked.

Our adjudicator looked into things for Mrs M and found she had not sent the documents to the correct email address and they were not acceptable as evidence. The bank confirmed as soon as they had the correct documents they would backdate the plan, refund any interest or charges and remove the default marker. Our adjudicator thought this was broadly fair but also felt the bank could have handled things better and suggested a compensatory award of £30.

The bank disagreed with the compensatory offer they were happy to backdate the plan once they had received the appropriate documents.

Mrs M also disagreed, as she wants compensation of £150.00.

Both parties asked for this review.

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 have listened to all the telephone recordings provided by Vanquis concerning Mrs M's initial discussions around a repayment option plan. I'm satisfied the adviser was very clear in what evidence Mrs M would need to provide to instigate the plan and I note the adviser specifically checked what would and would not be acceptable. The adviser gave clear guidance and was helpful and sympathetic to Mrs M's position.

On a subsequent call, Mrs M asked if she could email the documents rather than send them by post. The adviser was again very helpful and gave the full email address, which Mrs M appeared to note down and read it back to the adviser.

Having looked at all the information, I can see that the documents were sent to an incorrect email address. I understand this was very frustrating for Mrs M, but I can't hold the bank responsible as they clearly gave the correct information.

The documents that Mrs M was trying to send were also not acceptable and that had been made very clear.

Mrs M was receiving emails from asking her to contact a specific person to discuss her account and she was understandably frustrated when the telephone adviser didn't put her through to the named individual and tried to deal with the account. The bank has confirmed the email was automated and understands this may have been confusing.

Vanquis have now received the documents they need and have recalled the account from the debt collection agency. The bank has refunded any interest and charges applied during this period which total £433.99 and removed the default marker from Mrs M's credit file.

I appreciate that the default marker hindered Mrs M in a credit application but as the bank has removed the marker this should no longer be an issue.

I have also noted that Mrs M has been in touch with the bank and explained she no longer needs the repayment option plan as her financial difficulties have eased.

I can see that Vanquis acted once they received the information they needed but I can also see that although Mrs M had used the wrong e-mail address, she did contact Vanquis several times regarding the information she had sent.

Vanquis could have handled things better, especially with the email requests for contacting a named individual and then not providing that service but in the absence of any evidence of financial loss, I'm not persuaded the compensatory amount Mrs M is seeking is reasonable.

I'm satisfied that the actions already taken by the bank and the settlement previously suggested is fair and reasonable.

my final decision

For the reasons I have given I order Vanquis Bank Limited to pay Mrs M £30.00 in settlement of this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs M to accept or reject my decision before 2 October 2017.

Wendy Steele
ombudsman