

complaint

Mr D complains that two attempts to make a payment to Vanquis Bank Limited were unsuccessful. And Vanquis has handled his complaint poorly.

background

Mr D says he made a payment from his bank, which I'll call E, to Vanquis in March 2014. For reasons that weren't clear to Mr D this payment failed. Another payment was attempted in April. Again his account with Vanquis wasn't credited. Since then Mr D has stopped making payments to Vanquis as he says he can't be sure his payments will go to his account.

E said that the payment made in March 2014 was unsuccessful due to an insufficient balance in the account. It also said that the payment made in April 2014 completed successfully. Because of this the adjudicator was satisfied that:

- the March payment was unsuccessful because there was insufficient money in Mr D's account, rather than an error made by Vanquis; and
- the April payment was made but she couldn't be sure that the reason the payment failed was because of an error by Vanquis.

The adjudicator was satisfied that Vanquis hadn't provided an explanation for why the payment had failed because it was unable to do so.

Taking into account that Vanquis had already made a goodwill payment of £75 and refunded the charges applied due to the missed payments, the adjudicator was persuaded that its offer of reduced interest repayments on the arrears was fair in the circumstances.

Mr D disagrees. In summary, he says he asked Vanquis numerous times for it to halt the contract until it could confirm to his satisfaction that his payments would be applied to his account. He thinks as Vanquis didn't take the money when it should have done all interest and charges should be waived and any negative marks on his credit report be removed.

my findings

I have considered all the available evidence and arguments to decide what is fair and reasonable in the circumstances of this complaint. Where the evidence is incomplete, inconclusive, or contradictory (as some of it is here), I reach my decision on the balance of probabilities - in other words, what I consider is most likely to have happened in light of the available evidence and the wider circumstances.

I can understand Mr D's frustration at Vanquis's failure clearly to explain why his payments weren't allocated to his account.

Following our investigation Mr D now knows why the March payment failed – he didn't have enough money in his account with E.

Unfortunately we haven't been able to discover why the April payment failed. Vanquis has said it isn't aware of any technical problems affecting the payment and it would seem to be in its interest to accept the money. I consider on balance Vanquis wasn't at fault for failing to credit Mr D's account with the April payment. But I do consider its initial response to Mr D's complaint wasn't as good as it should have been.

Mr D has stopped making payments and as a result interest and charges have been incurred and his credit report has been affected. I don't consider Mr D's response to Vanquis's poor handling of his complaint was reasonable.

I have looked at what Vanquis has already done – paid £75 and refunded some charges – and what it has offered to do – agree a fixed payment arrangement at a reduced interest rate. I consider this is fair and reasonable in all the circumstances. Mr D will need to consider if he accepts this decision that the fixed payment arrangement will be recorded on his credit file.

my final decision

My decision is that I order Vanquis Bank Limited to offer to Mr D a fixed payment arrangement on the same terms as set out in its final response letter to him in July 2014.

Under the rules of the Financial Ombudsman Service, I am required to ask Mr D to accept or reject my decision before 25 March 2015

Nicola Wood
ombudsman