

## **complaint**

Ms J complains that Vanquis Bank Limited allowed her to withdraw cash from her credit card account which resulted in her going over her credit limit.

## **background**

Ms J says Vanquis should not have allowed her to make cash withdrawals which resulted in her credit limit being exceeded and charges applied to her account. Ms J says Vanquis's actions led to her financial difficulties and negatively affected her credit rating. She would like Vanquis to repay all charges applied to her account and pay her compensation.

Vanquis says its lending was not irresponsible or unfair. It says it considered Ms J's original application and credit scored it. It says it hasn't acted as Ms J says except on one occasion in December 2015 when Ms J cancelled a direct debit payment to it. But it had already authorised a cash withdrawal as its systems hadn't a chance to make that adjustment.

Ms J brought her complaint to us and our investigator didn't uphold it. The investigator thought Vanquis had properly assessed Ms J's application and that she had agreed to its terms and conditions. The investigator thought Ms J could have rejected the credit limit increase and also thought the cash withdrawal in December 2015 was allowed due to her payment being reversed. The investigator concluded that Ms J was responsible for managing her account and that the charges were correctly applied and that Ms J hadn't told Vanquis about any financial difficulties.

Ms J doesn't accept that view and says Vanquis shouldn't have allowed a vulnerable customer to go over her credit limit in this way. She says she shouldn't have been allowed the account in the first place and has provided a copy of her credit file which she says shows the difficult financial position she was in.

## **my findings**

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint. Having done so I've come to the same overall view as the investigator for the same reasons. I realise Ms J will be disappointed by my decision.

I've looked at Ms J's application for the credit card account and I've not seen any evidence that Vanquis lending was irresponsible or unaffordable. I can see that at the time of the application Ms J was in full time employment earning over £20,000 a year and that the credit limit was set at a relatively low level of £250. I appreciate that Ms J had previous financial problems but I don't think they would have meant Vanquis should not have approved the application. I can see that Ms J managed her account appropriately at first which I think provides evidence that the lending was responsible and affordable.

I appreciate Ms J has provided a copy of her credit report and says its clear that looking at it the lending was unaffordable. Whilst I'm sorry to disagree with Ms J, having looked at the credit report I don't come to that same conclusion. I've not seen any evidence on that report that suggests the lending was unaffordable or irresponsible and I think Ms J's financial difficulties came far later than 2015 as she then appeared to be taking out short term loans. I also think the credit report appears to show most accounts being opened after 2016. I appreciate one account, for a relatively small amount, had been defaulted some time ago.

I am satisfied that Ms J agreed to the account terms and conditions when the account was opened. And so I don't think Vanquis made a mistake by offering Ms J a credit limit increase to £750. I think Ms J could have rejected that offer if she wished. I also think those terms and conditions make clear that charges will be applied in certain circumstances for example a late payment or by exceeding the credit limit. So I don't think Vanquis made a mistake by making those charges in these circumstances and acted in line with the account terms and conditions.

The main part of Ms J's complaint is around Vanquis's decision to allow her to withdraw cash which resulted in her exceeding her credit limit. I accept that took place in December 2015 but having looked at Vanquis's records I'm satisfied that took place because Ms J cancelled her direct debit payment. And Vanquis's systems had already recognised the payment and so allowed the cash withdrawal. I don't think in those circumstances Vanquis made a mistake or acted unfairly. And I'm satisfied the problem was caused by Ms J cancelling the direct debit and so I think she ought to have known by making a cash withdrawal then a charge would have been made.

I have not seen any evidence on Ms J's account statements that similar cash withdrawals resulted in her exceeding her credit limit. For the reasons I've explained I've not seen any evidence that any of the charges were incorrectly applied.

Overall I'm satisfied that Vanquis hasn't made a mistake or acted unfairly. Banks and building societies should treat customers in financial difficulties positively and sympathetically and I can see that Ms J says she's in a vulnerable position. But having looked at Vanquis's records I can't see that Ms J ever told Vanquis about her difficulties or vulnerabilities. So in those circumstances I don't think Vanquis could have helped her.

### **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 Ms J to accept or reject my decision before 1 December 2019.

David Singh  
**ombudsman**