

## **complaint**

Mr D complains about what happened when he wasn't able to make payments onto his credit card account with Vanquis Bank Limited.

## **background**

Mr D lost his job and got behind with payments to his credit card account. He said Vanquis kept ringing him and asking him to set up a payment plan. It didn't offer him any other solutions, although he told it that he couldn't pay. Mr D said he also told Vanquis that he was on medication for anxiety and panic disorder, but Vanquis still rang him several times a day.

Mr D said that Vanquis had paid him £35 in compensation, but he wanted it to write off his debt, and pay more.

Vanquis said it had listened to the calls Mr D had with it, and it was disappointed to find that a call on 8 October didn't meet the standards of service it would expect. It paid Mr D £35 for that. It said that its specialist team had tried to get in touch with Mr D, and he could call that team if he wanted to, for support with his account.

Vanquis sent us Mr D's statements. They suggest that no minimum payment was made for June or July, but his July statement shows he had previously been in credit. He started to use the card in July, and took it up to just under the limit of £150. No minimum payment was made for August, September, October, November or December. His statement dated 2 September 2018 shows that he was over his credit limit, as a result of interest and charges applied to his account. Mr D doesn't seem to have used the card since early August.

The call history for Mr D shows that on 5 September, he told Vanquis he didn't have a job, couldn't afford to make any payments, and he wanted it to stop calling him. But Vanquis said that he was happy for it to continue to hold his mobile number at that time. He told Vanquis on 17 October that he was behind on his rent.

Vanquis made an ex gratia payment onto Mr D's account, for £35, in November. He remained well over his credit limit, as a result of interest and charges applied to the account. Vanquis said Mr D's account was defaulted in February 2019. It says it usually defaults an account once it has been in arrears for 210 days.

Our adjudicator didn't uphold this complaint. She thought that Mr D had agreed to have Vanquis continue to contact him using his mobile number. And she said that when Mr D didn't want to enter into a payment plan, Vanquis didn't have many other options but to continue to let him know about the arrears on his account.

Our adjudicator thought Vanquis had provided poor service on a call on 8 October, but she said that Vanquis had done enough to make up for this.

Mr D said that he was surprised and disappointed, and he didn't agree. He wanted an ombudsman to consider his case, so the complaint was passed to me for a final decision.

## **my provisional decision**

I issued a provisional decision on this complaint and explained why I proposed to uphold it. This is what I said then:

- First I looked at the phone conversations that Vanquis had with Mr D, then at how Vanquis managed this account.
- Vanquis sent us recordings of four calls that it had with Mr D. It told us Mr D agreed that it could continue to hold his mobile number. But I didn't think Mr D agreed that Vanquis could continue to call him. He asked specifically for the calls to stop. He said he had mental health conditions and the calls were making it worse. He offered to provide medical evidence of this. But Vanquis said the only way for the calls to stop was for Mr D to enter into a payment arrangement. Over the next call recordings, I could hear that Mr D repeatedly asked Vanquis to stop calling him.
- Mr D was repeatedly asked to tell Vanquis what was wrong with him, although he did give permission early on for Vanquis to record his conditions. I thought that once Mr D had given that permission, it was inappropriate for call handlers to be unaware of his health concerns, and to repeatedly ask him for information Vanquis already held.
- I thought that, given the information that Mr D had shared, Vanquis could and should have stopped calling Mr D about this debt. I could hear Mr D became distressed on the call recordings I had. I understood from the call history Vanquis sent us that these were just a small sample of the calls made, so I thought it was likely that Mr D was also distressed on other calls. I also thought that, as Mr D had told Vanquis about his ill health, it could've offered him additional support rather earlier than it did. Overall, I thought that Vanquis had made a difficult situation worse.
- For those reasons, I thought that Vanquis should pay Mr D an additional £250 in compensation, on top of the £35 it has already paid. Vanquis should use that money to reduce Mr D's debt to it in the first instance.
- Then I turned to how this account was managed by Vanquis.
- Mr D hadn't made any payments onto this account since summer 2018. I thought it was clear from his calls that he had no prospect, in the immediate future, of resuming ordinary payments to the account.
- Vanquis continued to charge interest on this account, and to apply fees because Mr D hadn't made minimum payments and was over his limit. It defaulted his account in February 2019.
- The Information Commissioner's Office says when a consumer is at least three months behind with their payments then a default may be registered. And it would expect a default to be registered by the time the consumer is six months behind with their payments. Mr D's account wasn't defaulted until he was almost seven months in arrears.
- I thought Mr D was clear that he was unable to make payments. For that reason, I thought an earlier default would've been appropriate in this case. That would've stopped interest and charges from continuing to accumulate. I thought Vanquis should've defaulted this account at the start of November. So I thought that Vanquis should amend Mr D's default date now, to 4 November 2018. And, because I'd usually expect that interest and charges would cease at that point, I thought Vanquis should refund onto this account any interest or charges applied from 4 November onwards, if it hadn't already done so.

I invited the parties to make any final points, if they wanted, before issuing my final decision. Mr D didn't reply. Vanquis sent us a qualified acceptance of my decision.

### **my findings**

I've reconsidered all the available evidence and arguments to decide what is fair and reasonable in the circumstances of this complaint. I haven't changed my mind.

Vanquis said that it didn't agree with the points I'd made about Mr D needing to repeatedly explain the nature of his medical circumstances. I note Vanquis' disagreement. But I don't think I need to comment further on that, because Vanquis also said that it agreed to comply with my proposed decision, because of the other points I'd made.

Vanquis set out what it proposed to do. It's explained that it thinks a small amount of money will be left over once it has cleared Mr D's debts to it. Once Mr D has got in touch with us, and told us he accepts this final decision (assuming he chooses to do so) then it will take that action, clear the debt, and send him a cheque.

I'll now make the award I originally proposed.

### **my final decision**

My final decision is that Vanquis Bank Limited must pay Mr D a further £250 in compensation. Vanquis Bank Limited must also amend Mr D's default date to 4 November 2018, and refund any interest and charges applied to this account on or after that date.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr D to accept or reject my decision before 6 September 2019.

Esther Absalom-Gough  
**ombudsman**