

complaint

Miss H complains that Vanquis Bank Limited set regular payments to her credit card below the minimum amount required and increased her credit limit without her consent.

background

Miss H's account reached payment arrears of £377 in 2015. She cleared this amount in full in December 2015. An agent told her that the estimated minimum payment for the next month was £88. A continuous payment authority for a fixed monthly amount of £90 was set up. Unfortunately the minimum payment the next month was £98.59. Only the £90 was paid and a late payment charge was applied to the account. This pattern continued until May 2016.

The adjudicator did not recommend that the complaint be upheld. She said that:

- The agent that spoke to Miss H gave her the option to make manual payments or set up the fixed payment. The first payment of £90 was made on 28 January 2016.
- The agent could have been clearer in explaining that Miss H would need to make up any difference to the actual payment required herself. But Vanquis sent Miss H a letter explaining that she would need to do so. The letter said that the set payment was not guaranteed to cover the minimum monthly payment.
- She appreciated that Miss H said she had not received the letter but considered Vanquis had shown it was correctly sent. She did not think that Vanquis should refund any charges or make any adjustment to information reported to credit reference agencies.
- She noted that Miss H's credit limit had been increased in July 2013 and May 2015. Vanquis had provided a sample copy of the notification which said that there was 30 days given to opt out of the increase.
- Miss H had used her account for general spending. She was satisfied that her debt was legitimate. She provided Miss H with details of free debt advice agencies.

Miss H did not agree. She said that there was no firm proof that the letter about the payments was received. She did not feel that her position had been understood. This has had a significant effect on her health and caused her daily stress. All she wanted to do was to make the minimum payment.

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 adjudicator has set out all the main issues here. Unfortunately the payment estimate given by the agent was too low. But I'm satisfied that Vanquis took steps to notify Miss H that this might be the case. And it also set out what she needed to pay each month. I note that in addition to the letter about the payments, Vanquis issued a statement to her dated 3 January 2016 setting out the minimum payment required.

The systems notes held by Vanquis record that it spoke to Miss H on 4 February 2016 and 7 March 2016 about this. It agreed to a goodwill gesture of a matched payment of £90 which was credited to her account on 1 April 2016. In May 2016 Miss H made payments additional to the £90 fixed payment to meet the minimum required that month.

Vanquis has said that its process is to write about any changes to the limit. At the time the limit was increased there was nothing to suggest Miss H was in any financial difficulty. This additional limit was shown on her statements and she made payments using it

I am sorry to hear that Miss H remains in financial difficulty. So I know that my conclusion - that Vanquis has not acted unfairly and so does not need to take any further action - will be a disappointment to her.

my final decision

My decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss H to accept or reject my decision before 5 January 2017.

Michael Crewe
ombudsman