

## **complaint**

Mr S complains that Vanquis Bank Limited failed to activate his repayment option plan (ROP) when he fell into financial difficulties. He wants Vanquis to backdate the plan to November 2015, put his account right and amend his credit file.

## **background**

Mr S took out a credit card with Vanquis. He fell into financial difficulties when his employer ceased his contract in November 2015. He contacted Vanquis to explain his position and activate the ROP.

Vanquis advised him he had a ROP, which would freeze the interest and charges on his account for a limited period. The ROP allowed Mr S to make any repayments he could afford which would come straight off the balance, or just take a break until things improved.

Vanquis needed evidence that his employment contract had ended and advised Mr S that once it received the appropriate documents, the plan would be activated.

Mr S sent in the required documentation on 9 March 2016. On the same day, Vanquis wrote to him to confirm the ROP had been activated for three months after which the account would be reviewed.

Vanquis wrote to Mr S on 12 May 2016 to explain the freeze on his account was due for renewal and he would need to provide further documentation in order to keep the freeze in place. Vanquis says it didn't receive any documentation so it wrote to Mr S again on 10 June 2016 to confirm the account had been reactivated and payments to the account would need to resume.

On 15 November 2016 Mr S contacted Vanquis as he was unhappy he wasn't informed about the three month renewal period. For this reason, he felt that the plan had been mis-sold.

Vanquis responded to Mr S's complaint on 6 January 2017. It stated his complaint was that he had not given his consent to be opted into the ROP. It refunded him the ROP fees, associated interest and charges applied to the account since 18 February 2014 when the product was taken out. This totalled £851.64. It also removed the ROP from his account.

Mr S remained unhappy as he felt Vanquis had not addressed his complaint properly. He said he was aware of the sale of ROP, he was unhappy that the ROP hadn't worked the way he expected. He says when he activated the ROP it only froze for a short period of time. So his credit file was impacted.

Vanquis wrote back to Mr S on 6 February 2017. It explained that it only received documentation to support his circumstances on 9 March 2016. For this reason his account continued to accrue interest and charges until this date. However, as a gesture of good will it amended his credit file for January and February 2016 as he had initially advised Vanquis of his circumstance in January 2016. It also refunded the interest and charges applied during this period.

Our investigator's initial view was that the complaint was outside of our service's jurisdiction. She explained that Mr S had the right to contact our service within six months of the date of

the final response letter from Vanquis. Unfortunately, he contacted us outside of the time limit. She found that even if Mr S's reason for thinking the ROP plan was mis-sold were different to those stated by Vanquis, the remedy would be the same. She said our service would look to put him back into the position he would've been in had it not been sold, which Vanquis had done.

Mr S agreed that the sale of the ROP was out of time; however, he felt that the issue relating to the claim still needed to be addressed. He said his account balance should be the same as it was in November 2015 when he initially tried to freeze his account. He also stated that his credit file had not been amended even though Vanquis stated it would do this. He also mentioned he missed a job opportunity due to the ongoing complaint with Vanquis.

Our investigator reviewed the file and explained that she felt Vanquis had since correctly backdated the freezing of Mr S's account to January 2016 and refunded the ROP fees and associated interest, so had effectively done more than what she would have recommended.

She noted that Vanquis had acknowledged that Mr S's account was incorrectly passed to debt collectors in 2017. To put things right Vanquis took back the account, removed the default and paid £50 compensation. When Mr S raised further concerns, Vanquis confirmed it would:

- pay an additional £150 compensation for the trouble and upset caused
- refund £1,002.16 which represented the interest and charges applied between September 2017 until February 2018
- amend Mr S's credit file between those dates
- adjust Mr S's account to clear arrears due to non-payment from September 2017

Mr S remained unhappy. He still felt the freeze should've started in November 2015 when he says he initially contacted Vanquis about the ROP.

As the complaint could not be resolved informally it has been referred to me for final consideration.

## **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 realise this will come as a disappointment to Mr S, but I won't be asking Vanquis to do anything further.

The ROP product on Mr S's credit card account allows him to stop making the required repayments to his account in certain circumstances. In this instance Mr S says he lost his job and this would be something that would allow the ROP to be activated. Activation was subject to the consumer informing Vanquis and providing supporting evidence. The terms and conditions of the ROP plan state:

*"You agree that if you wish us to Freeze your Account as a result of any Difficult Financial Circumstance and you have notified us within 90 days of its first occurrence and provided us with reasonable evidence as required under paragraph 15, any Freezing of your Account will be backdated to the date of the first occurrence of that Difficult Financial Circumstance. Where first notification of such Difficult Financial Circumstance is made more than 90 days after its first occurrence and you have provided us with reasonable evidence as required*

*under paragraph 15, any Freezing of your Account will be backdated to the date of notification of that Difficult Financial Circumstance.”*

Vanquis says it was first aware of Mr S's loss of employment in a call of 25 January 2016. Vanquis then explained what supporting evidence it needed to activate the account freeze but says it didn't receive the required evidence until 9 March 2016. Vanquis has now agreed to backdate the ROP activation date to January 2016 in line with when it was first informed.

Mr S says he initially contacted Vanquis about activating the ROP when he was made unemployed in November 2015. Mr S's call log with Vanquis doesn't detail any calls recorded during this month. There was, however, a call made to Mr S in December 2015 when he missed his monthly statement. Mr S advised this was due to being out of the country. There doesn't therefore appear to be anything to indicate Vanquis was aware of Mr S's loss of employment before January 2016.

On balance, I think it's likely the first time Vanquis were informed of Mr S's situation was in January 2016. And in the absence of evidence to demonstrate contact was made before this date, I am unable to say Vanquis should do anymore here.

Vanquis wrote to Mr S on 11 May 2016 confirming the freeze was due for renewal in a month's time. In order for the freeze to remain active, Vanquis required further evidence that Mr S remained unemployed. A further letter was issued to Mr S on 10 June 2016 as no response had been received. The letter explained the account was no longer frozen as no further supporting evidence had been received. Payments to Mr S's credit card account would now need to resume.

Mr S has mentioned that he was unaware that the freeze would only last three months. But I do think this was made clear to Mr S in the letter dated 9 March 2016. It confirmed that further information would be required after three months to continue the activation. And I can see the letters were sent to the same address we have on our systems for Mr S.

I also don't consider it unreasonable for Vanquis to require further evidence of Mr S's unemployment. It is quite possible that Mr S's circumstances could change during this period and the freeze would've no longer been required. The ROP terms and conditions also indicate that Vanquis can ask for further evidence throughout the freeze. So I can't say it was unreasonable for Vanquis to unfreeze Mr S's account when it did.

Mr S is unhappy at the level of interest that had accrued on his account. He believes had Vanquis dealt with his complaint fairly, no further interest should have accrued on his account from November 2015 onwards. I don't however agree with this and as already referred to above, I'm satisfied Vanquis did activate the ROP reasonably when it was told about Mr S's loss of employment. Vanquis also agreed to back date this to cover the period where Mr S was providing information. This does not go back to November 2015 but I again haven't seen sufficient evidence to demonstrate Vanquis was aware of the change of circumstances in November 2015.

I haven't seen anything to indicate Mr S provided further evidence to show he remained unemployed and I can't say Vanquis were unreasonable by charging him interest in the months after the account was no longer frozen. When there is an outstanding balance on an account, and the ROP is not active, Vanquis is entitled to charge interest in line with the terms and conditions of the account. Notwithstanding this, as a gesture of goodwill, Vanquis

has refunded the interest charged and amended Mr S's credit file between September 2017 and February 2018.

I've considered carefully Mr S's comments that the issues he had with Vanquis caused him a great deal of stress and to lose a job opportunity abroad. Mr S says that he kept putting off starting the new job abroad because his complaint hadn't been resolved. And this then meant that he lost the job opportunity. I sympathise with Mr S and appreciate Vanquis could have handled things better. But, I don't think the issues here were sufficient to prevent Mr S from starting the new job he says he had been offered. He could have continued corresponding by letter and/or email and being abroad would likely have little or no impact. I don't therefore think Vanquis is responsible if Mr S did lose the job opportunity.

Vanquis accepts it could have done things better in its dealings with Mr S and it has offered to pay Mr S £200 (some of this has I understand already been paid) compensation. I think this is reasonable in the circumstances.

I again appreciate that Mr S will remain unhappy with the decision I've come to here but after very carefully considering all that has been presented in this case I'm not satisfied Vanquis needs to do anything further.

### **my final decision**

My final decision is that I do not uphold Mr S's complaint against Vanquis Bank Limited. There are no grounds for me to instruct Vanquis Bank Limited to do anything more than it has already done.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr S to accept or reject my decision before 9 November 2019.

Mark Hollands  
**ombudsman**