

## **complaint**

Mr R complains that Vanquis Bank Limited refused to increase his credit limit after promising to do so. He wants a refund of all the interest he's paid since the account opened. He also wants Vanquis to refund a £1 interest charge it made after the account closed.

## **background**

Mr R tells us he opened an account with Vanquis in 2016. He says he wanted to rebuild his credit score. And so he says he followed the guidelines he'd been given in the correct way. He's told us he thought this would mean he'd get an increase in his credit limit after the fifth account statement had been sent. When this didn't happen he says he wrote to Vanquis and asked it to increase his credit limit. After it refused he complained to us and said he wanted us to make Vanquis increase this limit.

Since then he's decided to close the account. But he wants all the interest repaid - as he thinks Vanquis broke its promise to increase his credit limit. He's also told us that after the account had been closed and the debit balance paid Vanquis sent him a statement showing he owed £1 interest. He says he paid this to avoid late payment charges - but wants this refunded.

Vanquis told us that when Mr R informed it of his concerns it wrote to him. It said the letter explained how he could improve his chances of getting an increased credit limit. It said the process was managed internally. Whilst it couldn't tell him the specific criteria it did say he had improved his position consistently. It advised he continue his "account behaviours" to move towards the required threshold.

So far as the guidelines Mr R referred to, Vanquis identified this as its 17 month planner. Vanquis says this clearly shows that increases weren't guaranteed. It says the interest charge related to cash transactions - which it says are charged on a daily basis - and was correctly applied to the following month's statement.

The adjudicator who looked into this case didn't recommend Mr R's complaint be upheld. She said whether a credit limit was increased or not was a business decision for Vanquis. She'd looked at the planner to which Mr R had referred. She found whilst Vanquis advise customers the usual month for an increase (in credit limit) to be granted is the fifth month - it's not guaranteed. So she didn't think there had been any misrepresentation by Vanquis.

Regarding the interest applied after Mr R had paid what he thought was the final balance - she explained that each month an estimated amount of interest (to be applied in the following month) is shown on the statement. Whilst Mr R had paid off the January balance in full, the interest charge was not due until February and was correctly applied. The adjudicator concluded that Vanquis hadn't acted incorrectly over either matter and so she wouldn't require it to do anything.

Mr R didn't agree with the adjudicator's view. So his complaint's been passed to an ombudsman to review and issue a final decision on.

## **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 understand Mr R opened this account with the intention of improving his credit score. I can see he made his monthly payments on time and didn't exceed his credit limit. So I can understand why he feels this limit should have been increased. But as the adjudicator pointed out that's a business decision for Vanquis. We don't generally have the power to tell a business how to operate. And I don't see any reason to do so here.

I've looked at the guidelines in the planner that Mr R referred to. And it's clearly stated that an increase isn't guaranteed. So it wouldn't be fair or reasonable to say Vanquis was wrong in not increasing Mr R's credit limit.

So far as the interest charges are concerned - they've been applied in line with the terms and conditions of the account as explained by the adjudicator. So I can't find that Vanquis has acted incorrectly in making them. It follows I shan't be asking it to refund the interest charges.

I know my findings will be a disappointment to Mr R. But I hope he's able to continue to manage his finances as well as he's done in the last few months and achieve the higher credit score and better access to credit he wants.

### **my final decision**

For the reasons I've given above I am not upholding this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr R to accept or reject my decision before 26 May 2017.

Stephen D Ross  
**ombudsman**