

complaint

Mr C complains that Vanquis Bank Limited has provided him with poor service causing his credit limit to be reduced, charges to be incurred on his account, and a payment to be returned.

background

Mr C says that the bank led him to believe that £200 it was paying him in settlement of a previous complaint would cover his monthly minimum payment for June 2014. Because this did not happen, Mr C says that his credit limit was reduced which resulted in him incurring charges and having negative marks recorded on his credit file. Mr C also says that a payment was returned in July 2014.

Additionally, Mr C complains that after contacting the bank because a transaction was declined he was told that he would be sent a new credit card but that this never arrived.

The bank says that it had resolved Mr C's complaint and that he had accepted the settlement of £200. It says that Mr C called its lost and stolen cards line in June 2014 and was correctly told that his card would be blocked. It says that this action automatically triggers the generation of a new card. However because Mr C's account was in arrears, a replacement card was not sent. It says a replacement card will not be sent until the account is back within its terms and conditions.

The adjudicator says that Mr C was told that the £200 settlement would not count towards his monthly minimum payment. Because of this he did not find that the bank had been unreasonable in taking actions when Mr C did not make his payment. He says that the payment Mr C made which was charged back was because his account was in arrears.

The adjudicator did however say that Mr C had been told that he would be sent a new credit card. This did not happen because his account was in arrears. However, the bank did not tell Mr C that this would not happen and why. It also did not provide a final response letter within eight weeks after it was sent a letter in September 2014 about the complaint. Because of this he says it that it would be fair and reasonable for the bank to pay Mr C £100.

The bank did not accept that it should pay Mr C £100. It says it had paid £200 in settlement of the original complaint.

my findings

I have considered all the available evidence and arguments to decide what is fair and reasonable in the circumstances of this complaint.

Mr C accepted the settlement offered by the bank of £200 for a previous complaint. Since he accepted this, Mr C has raised further issues which I find the bank has been informed of and provided with the chance to respond to.

Mr C says that he was led to believe that the £200 settlement amount would pay his monthly minimum payment for June 2014. I have listened to the call on which this was discussed and I find that Mr C was told that the payment would not pay his monthly minimum payment. It was explained that the £200 credit would be made to his account but that an amount would still remain outstanding and a minimum payment would be due. Mr C was receiving his

account statements and so was aware of his minimum payment amounts. Because Mr C did not make the payment, I do not find it unreasonable that the bank took action.

The bank reduced Mr C's credit limit following the missed payment. The account terms and conditions set out that the bank may reduce or increase credit limits from time to time. Mr C's account statement dated 15 June 2014 sets out the new credit limit. At this time, Mr C was within his new credit limit. Mr C has said that he incurred charges because his credit limit was reduced, but because I do not find that the bank did anything wrong by reducing Mr C's credit limit, I also find it reasonable that charges were applied in line with the account terms and conditions.

Mr C's account went into arrears as the payments were not maintained and because of this a payment was returned in July 2014. I do not find this unreasonable.

I do however find that Mr C was provided with poor service from the bank in regard to the information provided about a new credit card. Mr C was told on a call in June 2014 that he would receive a new credit card within seven to ten working days. I understand the reasons why this did not happen, however I find that given the information provided to Mr C, the bank should have explained to him that a replacement card would not be issued until his account was back within its terms and conditions.

I also find that the bank caused Mr C inconvenience by not responding to the new issues he raised after he accepted settlement for a previous complaint. I find that had the bank responded this complaint could have been resolved sooner. Because of this I find that the bank should pay Mr C £100 compensation.

my final decision

My final decision is that Vanquis Bank Limited should pay Mr C £100 compensation.

Under the rules of the Financial Ombudsman Service, I am required to ask Mr C to accept or reject my decision before 29 May 2015.

Jane Archer
ombudsman