

### **complaint**

Mr S complains that Vanquis Bank Limited gave him wrong information that a direct debit had not been returned and allowed him to use his credit card and exceed his card limit. He wants Vanquis to clear his balance and refund all charges incurred.

### **our initial conclusions**

Our adjudicator did not recommend this complaint should be upheld. He concluded the direct debit was not returned unpaid until after Mr S telephoned Vanquis to ask if this had happened. Therefore, during the telephone calls, Mr S was given correct information when told he had a credit limit of £127 available. He was also satisfied Vanquis acted reasonably when allowing the card to be used after the direct debit was returned unpaid. As a gesture of goodwill, Vanquis has refunded two default charges totalling £24. The adjudicator considered this was reasonable in the circumstances. Mr S does not agree and says Vanquis should not have made payments which took the account over his credit limit.

### **my final decision**

To decide what is fair and reasonable in this complaint, I have considered everything that Mr S and Vanquis have provided. Although I understand Mr S's frustration, on balance I am not satisfied that the bank made any mistakes. Its agents reported to Mr S the situation as Vanquis knew it to be.

Mr S was informed by his other bank the day before that a direct debit had been returned unpaid. Although Mr S believed it was reasonable to accept what Vanquis told him, it was the other bank that was processing the payment, not Vanquis, and therefore the other bank was in a better position to know what the true situation was.

I consider it reasonable for Vanquis to allow a credit limit to be exceeded in certain circumstances, including here where a direct debit was returned unpaid. I am satisfied Vanquis has not made an error in continuing to charge fees and interest as Mr S has not made any payments to his account since he went over his credit limit.

**My final decision is that I do not uphold this complaint.**

**Under the rules of the Financial Ombudsman Service, I am required to ask Mr S either to accept or reject my decision before 8 August 2014.**

*Charlotte Holland*

*ombudsman at the Financial Ombudsman Service*

The ombudsman may complete this section where appropriate – adding comments or further explanations of particular relevance to the case.

#### **ombudsman notes**

Where the evidence is incomplete, inconclusive or contradictory (as some of it is here), I reach my decision on the balance of probabilities – in other words, what I consider is most likely to have happened in light of the available evidence and the wider circumstances.

#### **what is a final decision?**

- A final decision by an ombudsman is our last word on a complaint. We send the final decision at the same time to both sides – the consumer and the financial business.
- Our complaints process involves various stages. It gives both parties to the complaint the opportunity to tell us their side of the story, provide further information, and disagree with our earlier findings – before the ombudsman reviews the case and makes a final decision.
- A final decision is the end of our complaints process. This means the ombudsman will not be able to deal with any further correspondence about the merits of the complaint.

#### **what happens next?**

- A final decision only becomes legally binding on the financial business if the consumer accepts it. To do this, the consumer should sign and date the acceptance card we send with the final decision – and return it to us before the date set out in the decision.
- If the consumer accepts a final decision before the date set out in the decision we will tell the financial business – it will then have to comply promptly with any instructions set out by the ombudsman in the decision.
- If the consumer does not accept a final decision before the date set out in the decision, neither side will be legally bound by it.