

complaint

Miss C, who is represented by her mother, Mrs D, complains that Vanquis Bank Limited

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- mis-sold her the Repayment Option Plan (ROP) when she opened her credit card account;
- did not tell her the interest rate that applied;
- unfairly applied charges to her account;
- irresponsibly increased her credit limit;
- did not respond appropriately to her financial difficulties; and
- tried to add her mother as an authorised user to her account.

background

Miss C opened a credit card account with Vanquis in 2011. In 2013 she complained that she had been mis-sold the ROP because it was unsuitable for her needs. She also said she was in financial difficulties and made a reduced offer of settlement to clear her account balance.

Vanquis said it listened to the original call between Miss C and one of its sales team and the terms and conditions of the account had been properly explained. It said Miss C had opted to take out the ROP.

Vanquis declined Miss C's offer of settlement, but gave her details of debt management agencies that might be able to help. It refunded some charges that had been applied to her account. It also sent Mrs C a form to complete to become an authorised user on her daughter's account.

The adjudicator recommended that the complaint should be upheld in part. He recommended that Miss C's complaint about Vanquis trying to add her mother to her account should be upheld, because the form was unclear. He recommended that Vanquis pay Miss C £100 compensation for its handling of this aspect of her complaint.

He concluded that all her other complaints should not be upheld because:

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- the ROP was not an insurance product. Vanquis was therefore not required to make an assessment of whether it was suitable for her needs and sell it in accordance with the General Insurance Standards Council's Code of Practice, or the Financial Conduct Authority's Insurance Conduct of Business Sourcebook which has been applied more recently.
- Miss C had been supplied with sufficient information about the ROP, including details of the interest rate, before she agreed to take it out, and afterwards;
- the charges were not unfair following the decision of the Supreme Court;
- the increase in her credit limit was optional; and
- Vanquis had responded appropriately to Miss C's financial difficulties by writing off some charges and giving her details of debt management agencies.

Vanquis disagreed that it should pay Miss C compensation. Miss C disagreed with the adjudicator's recommendation and asked for her case to be reviewed by an ombudsman.

my findings

I have considered all the available evidence and arguments to decide what is fair and reasonable in the circumstances of this complaint. 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, on what I consider is most likely to have happened in light of the available evidence and the wider circumstances.

mis-selling

I agree with the adjudicator; as the ROP is not an insurance product Vanquis did not need to establish it was suitable for her needs. I also find that Miss C was given sufficient information about the product she was signing up for, both during the telephone call, and in the welcome pack that was sent in the post afterwards.

interest rate

I find that more likely than not Miss C was given details of the interest rate that applied during the telephone call she had with Vanquis. The details were also included in the welcome pack. I find that Vanquis did all that could be expected of it to make her aware of the interest rate that applied.

unfair charges

The terms and conditions of Miss C's account allowed Vanquis to charge a fee in certain circumstances. These terms are generally enforceable - as long as the fee charged does not exceed a reasonable estimate of the additional administrative costs the bank is put to. The fees charged were levied in line with the terms and conditions, and I am satisfied that they were set at a level (£12) that was not excessive or unfair. So I do not consider that a refund is due.

credit limit

I find that more likely than not Miss C was sent a letter telling her that she could decline Vanquis' offer to increase her credit limit. She did not, and went on to use the increased credit facility. I therefore do not consider it would be fair or reasonable to hold Vanquis responsible for Miss C's additional spending.

financial difficulties

Like the adjudicator, I am satisfied that Vanquis responded positively and sympathetically to Miss C's financial difficulties. It wrote off some charges, as a gesture of goodwill, and gave her details of debt management agencies that may be able to provide advice and assistance. It was not obliged to accept her reduced offer of settlement or repayment proposal.

I therefore do not uphold these five parts of Miss C's complaint.

adding Mrs D to the account

I agree with the adjudicator the form Vanquis asked Mrs D to sign, to be able to discuss her daughter's account with it, was not as clear as it might have been. Mrs D was

understandably concerned that she would be held jointly liable for her daughter's debt if she signed it. I find this did cause Miss C some distress and inconvenience as it made it more difficult for her mother to communicate with Vanquis on her behalf. I agree, therefore, it would be appropriate for Vanquis to pay Miss C £100 compensation for its handling of this aspect of her complaint. I therefore uphold this aspect of her complaint.

my final decision

My decision is that I uphold this complaint in part. In full and final settlement of it, I order Vanquis Bank Limited to pay Miss C £100 compensation for distress and inconvenience.

Kim Parsons
ombudsman