

complaint

Mr S complains that Vanquis Bank Limited mis-sold him a repayment option plan on his credit card account.

background

Mr S applied for a credit card from Vanquis. He says that, when he called to activate the card in 2010, Vanquis sold him a repayment option plan. Put simply, the plan provides the card holder with various options, including being able to freeze the account or take a payment break.

Mr S says that he was retired through ill-health when he took the card, and was not given any details of what the plan did or told that he did not have to take it as a condition of getting credit. He also says that Vanquis did not make proper enquiries into his circumstances before selling him the plan.

Vanquis did not accept that the plan had been mis-sold and was not willing to meet Mr S's claim for compensation. As things were not settled, Mr S brought his complaint to this service where an adjudicator investigated it.

From the evidence, including a recording of the call during which the sale had taken place, the adjudicator concluded that the plan had not been mis-sold and that Mr S had been given the necessary information about what the plan provided and the circumstances in which he could use it. Because of that, the adjudicator did not recommend that the complaint should succeed.

Mr S did not agree and said (in summary, and through his representative):

- Mr S was not given information that he could make an informed decision about – he was read a script, very quickly, with no attempt made to ensure he understood this or that he was happy the product was appropriate for him.
- Whilst it is accepted that this was not an advised sale, and Vanquis had no general duty to check that the product was right for Mr S, it was still required to make sure Mr S had all the information he needed in order to decide.
- The call focusses on talking about as many features as possible. Mr S was medically retired with a guaranteed income, so the plan was of no use to him in respect of loss of income through unemployment, illness or disability or the other situations set out in the plan.
- Mr S has never used the payment break option.
- Mr S trusted Vanquis and did not read the paperwork about the plan. This is not unusual, and it is for Vanquis to demonstrate that it complied with the rules. Mr S was not treated fairly.

my findings

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint.

There are two versions of the plan that Mr S took – the full plan, which is for people who are employed, and the standard plan for people who are not. Mr S was put on the standard plan, which I am satisfied provided a range of potential benefits that were available to him as a medically retired person.

The plan is not an insurance policy, and so Vanquis does not have to show that it complied with the insurance sales regime before offering the plan. The call was not by way of being advice or guidance and indeed makes it clear that no advice is being provided.

It's also evident from the call that Mr S was told that he had been approved for the credit card *before* the plan was mentioned at all. So I don't see that Mr S could have been under the impression that the success of his application depended on his taking the plan, or that it was compulsory.

I appreciate that Mr S did not read the material he was sent about the plan, but Vanquis drew his attention to that material during the call and also told him about his right to cancel the plan at any time.

Overall, I find that Vanquis did not mis-sell the repayment option plan to Mr S.

my final decision

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

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr S to accept or reject my decision before 12 May 2016.

Jane Hingston
ombudsman