

complaint

Mr S complains about the manner in which Vanquis Bank Limited dealt with him after he realised he was a victim of identity theft. Mr S says the poor handling of the matter by Vanquis led to him suffering distress and inconvenience.

background

A credit card was issued to an unknown third party, in the name of Mr S, and Mr S was left with an outstanding debt after four transactions were made in June 2012. He reported the fraud to Vanquis in July 2012 and Vanquis began a formal investigation in October 2012.

Mr S is unhappy with the fraud declarations that were sent to him and the default that was registered on his credit file by Vanquis. The default was removed at the end of March 2013 but Mr S says he was unable to apply for credit and was refused loans before the default's removal. Mr S also said that his wife suffered inconvenience.

Our adjudicator noted that Mr S was first sent a fraud declaration in August 2012 (although Vanquis subsequently advised the first declaration was sent in July). However, Mr S was unwilling to complete the forms until they were amended as, for instance, he was asked to indicate that he was *"aware of the person who has completed the application"*. An incorrect address was also provided. Further issues were identified by Mr S with subsequent forms sent out and Vanquis eventually received the correct forms after a number of times of asking. The adjudicator said he would have expected Vanquis to ensure its correspondence is correctly worded to address the circumstances in question.

The adjudicator also noted that in October 2012, Vanquis wrote to Mr S to confirm it had 56 days to resolve the complaint. However, it was not until March 2013 that Vanquis confirmed the account was set-up fraudulently.

In the meantime, Mr S's account was passed to a debt collection agency. And the adjudicator considered that as Vanquis had not completed its investigation at this point, this was not fair.

Taking into account all that Mr S had said about the impact this situation had on him and his wife, and also the poor administration of Vanquis in dealing with this complaint since it was referred to this organisation – causing further delay and inconvenience – the adjudicator recommended it would be fair and reasonable for Vanquis to make a compensatory payment to Mr S of £200. He also recommended that Vanquis should apologise to Mr S.

Vanquis has not agreed to make payment of a compensatory sum to Mr S so the complaint has been referred to me for review.

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 S has indicated that he considers the compensation payment recommended by the adjudicator was not adequate. Vanquis accepts that there were amendments required to the declarations but it considers the delay in it obtaining a signed declaration was not its fault.

Mr S is no longer being treated as liable for the repayment of a debt created by the fraud and the credit file is no longer inaccurate. The sole matter for me to determine, therefore, is the level of compensation that Vanquis should pay to Mr S, if any.

I consider that Mr S did not act unreasonably in asking that the fraud declaration be altered, before he signed it, in order that it more accurately reflected the facts of the claimed fraud. And it is not appropriate for Vanquis to have expected Mr S to have signed a fraud declaration that did not reflect the facts of the claimed fraud. It also took an unacceptable time for the signed fraud declaration to be in possession of Vanquis.

That said, I understand that Mr S was not able to be contacted except by writing and the bank did start to issue declarations to Mr S, saying that it was happy for Mr S to amend the declaration manually, before signing it. I therefore consider that Mr S was caused some distress and inconvenience by Vanquis' actions in obtaining the fraud declaration and it should pay some compensation to Mr S, albeit I must take account of Mr S' part in preventing the signed document being obtained sooner.

I must also, however, take account of the debt recovery action that Mr S was subjected to while Vanquis was trying to obtain the signed declaration – I agree with the adjudicator this was premature - the inaccurate credit file entries added, and that Vanquis has not dealt with the process of handling Mr S' complaint with suitable efficiency.

Mr S has described the impact of all of this has had on him – although I am dealing only with his complaint and I cannot take into account distress and inconvenience suffered by his wife – and I accept he has been caused significant distress and inconvenience. And I consider that Vanquis ought to pay more compensation to Mr S than the adjudicator proposed.

Compensation payments I award are commonly set at a modest level however, and, in any event, sometimes things go wrong and all of us, in our dealings with commercial organisations – including when dealing with our bank – can suffer inconvenience in our day-to-day lives and be caused disruption with the need for some correspondence and/or telephone calls in our 'own time' and without there being cause for compensation on every occasion.

But, as I say, I consider there has been significant distress and inconvenience and taking into account all the evidence available to me, I consider that Vanquis ought to pay Mr S £300 compensation.

my final decision

In light of all I have said, my final decision is that Vanquis Bank Limited must pay to Mr S, in full and final settlement of his complaint, £300 compensation for the distress and inconvenience he suffered.

Ray Neighbour
ombudsman

