

## **complaint**

Mr C complains that Vanquis Bank Limited (Vanquis) charged him for hidden insurance premiums.

## **background**

Mr C had a credit card with Vanquis. The outstanding debt he had with Vanquis has been sold on to a third party.

Mr C is concerned that as Vanquis charged very high interest rates to their customers, they must've been hiding insurance premiums, to protect themselves from bad debt, within those interest rates.

Our adjudicator didn't think Mr C's complaint should be upheld because he couldn't see that Mr C was being charged for any insurances. And he later also explained that the interest rate a bank charges on borrowing is a matter of commercial judgement for them.

Mr C felt that the adjudicator had misunderstood his complaint and the matter has now come to me to decide.

## **my findings**

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

Having done that, I don't think Mr C's complaint should be upheld.

I appreciate what Mr C says about being charged a very high interest rate by Vanquis. But Mr C hasn't complained that he wasn't told what the interest rate or fees would be on the card.

Instead his complaint, as I understand it, is that because the interest rate and fees were so high, Vanquis must've been hiding the insurance premiums to protect themselves from bad debt within these interest rates and/ or other charges. So Mr C thinks that the debt the third party are trying to recover from him has already been covered by insurance (paid for within the high interest rate/charges) to reduce Vanquis' losses.

I haven't seen evidence to suggest that this is what happened. But even if it did, it isn't for me to tell Vanquis how to calculate their interest. It is a commercial judgement for them as to who they lend to and how much interest they charge. Even if Vanquis had taken measures to protect themselves, it doesn't relieve Mr C of the liability for his debt.

As I understand it Mr C was aware of the interest rate Vanquis charged but still decided to make use of the credit facility.

I appreciate Mr C will be disappointed with this outcome, but I can't fairly say that Vanquis were wrong to charge the interest rate and fees that they did.

It follows that I don't uphold Mr C's complaint.

**my final decision**

I don't uphold Mr C's complaint against Vanquis Bank Limited.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr C to accept or reject my decision before 4 November 2016.

Navneet Sher  
**ombudsman**