

## **complaint**

Miss D complains that Vanquis Bank Limited is seeking repayment of an account balance she says she's repaid.

## **background**

Miss D received a text message from Vanquis to say she needed to repay her credit card arrears. Vanquis told her the outstanding balance was £186.39. Miss D paid Vanquis on 6 November, believing she'd settled the account. She says she received further texts from Vanquis telling her the monthly payment was zero. Miss D hasn't used her card since.

But shortly before Miss D made her payment, Vanquis applied interest and charges of £29.12. It has since applied further interest and charges, leaving Miss D owing significantly more. It has also recorded adverse payment information on Miss D's credit file.

Our adjudicator didn't think the bank's stance was entirely fair. He was satisfied that if Miss D had known about the £29.12 charges when she made her payment, she'd most likely have paid them at the same time. By December, the amount had increased to £29.65. He proposed that – subject to Miss D now paying the £29.65 – Vanquis stop pursuing Miss D for further payment, close the account and remove the adverse payment information.

Vanquis wasn't willing to agree to the adjudicator's proposal. It said it had applied the charges in line with the account terms. If Miss D had spoken with it when she made her payment, it would have told her about the further charges. But it had no record of any contact from Miss D at that time.

## **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 so, like the adjudicator I think the appropriate way to resolve matters is for Miss D to pay the £29.65 and Vanquis then to treat the account as if it had been settled in November 2013.

I can see that in late October, Vanquis sent Miss D a text message telling her the account balance was £186.39. Miss D made her payment just over a week later. But by then, her payment was past due, and Vanquis applied charges accordingly. So on 6 November, Miss D owed Vanquis more than she actually paid. Because the balance wasn't paid in full, further interest and charges have been added. On this basis, I can understand why Vanquis has continued to seek repayment.

That said, there was clearly a misunderstanding here about whether a balance remained following Miss D's payment. Although Vanquis explained that situation in its response to Miss D, I think in doing so, it could have been a little more accepting of Miss D's genuine belief that she'd paid in full. The complaint was made not long after the incident, and at a point where further charges hadn't significantly increased the balance. In my view, given the apparent genuine misunderstanding, Vanquis ought to have allowed Miss D the opportunity to settle the account by paying the £29.65, rather than insisting on repayment of further charges. That would probably have resolved matters without the need for further escalation. So that's the approach I'm taking here.

**my final decision**

My final decision is that – subject to Miss D paying it £29.65 – Vanquis Bank Limited should not pursue Miss D for any outstanding balance on the account. It should also remove any adverse payment data it may have recorded on Miss D's credit file since 6 November.

Niall Taylor  
**ombudsman**