

complaint

Mr H complains that he was mis-sold a Repayment Option Plan (ROP) by Vanquis Bank Limited in February 2011. He also wants the bank to explain why it has charged additional finance charges and if necessary, refund them.

background

Mr H took out the ROP in February 2011 during a call to activate his credit card. He complains that the ROP was mis-sold. Mr H says he was told he had to take the ROP out. And that he never received any information about the plan as promised. Mr H is also unhappy with the “billed deferred finance charges” that appear on his account. He wants the bank to explain how these are billed in line with his account terms and conditions.

Our adjudicator didn't conclude that Mr H's account should be upheld. She thought that Vanquis had given Mr H enough information to make a decision about taking out the ROP. And she thought Vanquis made it clear the ROP was optional.

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, I agree with the conclusions of the adjudicator.

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, what I consider is most likely to have happened in light of the available evidence and wider circumstances.

I have listened to the activation call recording between Mr H and Vanquis. A member of staff completed Mr H's credit card application and then asked whether he wanted to take out the ROP. The bank explained the costs and benefits of the ROP and said that it was optional. And Mr H double-checked the cost of the plan during the call. Vanquis said that it hadn't provided Mr H with a recommendation based on his suitability.

Based on the call recording, I find that Mr H was given the information that he needed to make a decision about adding the plan to his credit card. The member of staff explained that the ROP wasn't an insurance product. Instead, he could use it to freeze his monthly repayments in certain circumstances. I am not persuaded that Vanquis told Mr H that he had to take out the plan. And I don't find that Vanquis did anything wrong when it sold the ROP to Mr H over the phone.

Vanquis told Mr H that he would receive further information about the plan with his information pack and that he could cancel it any time. Mr H says he didn't receive any paperwork. But as Mr H received his credit card, I am persuaded it's more likely than not that the information pack was sent at the same time. And Vanquis doesn't have any record of Mr H querying where his information pack was.

I can see that the cost of the ROP is shown on a number of account statements, so Mr H should've known that he was paying for it each month.

Vanquis and this service have already explained what the term “deferred finance charges” means. I agree with our adjudicator that the term is used to describe some of the interest on

purchases. As I'm satisfied that Vanquis applied the finance charges in line with the terms of Mr H's account, I can't require it to refund any of them to Mr H.

my final decision

My decision is that I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr H to accept or reject my decision before 19 October 2015.

Gemma Bowen
ombudsman