

complaint

Mr V complains that Vanquis Bank Limited has refused to refund disputed transactions on his credit card account. Mr V says his card was lost or stolen and wants Vanquis to stop pursuing him for the debt and remove any adverse information from his credit record.

background

Dates are central to this complaint.

Mr V looked for his wallet on 30 November 2013. He could not find it and thought it must have been lost or stolen during the early hours of that morning when he was travelling home from a night out. His wallet contained three account cards, including his Vanquis credit card. Mr V rang Vanquis to report his card was missing and the bank blocked the card. He also rang the other banks to report the loss of his cards.

Mr V says he then rang Vanquis the next day to check if any transactions had taken place on his card and was told there had been no activity. A few days later he got a text message from the bank to say his account was over its credit limit – and Mr V then received a statement confirming four transactions from earlier on 30 November 2013. He says he did not make or authorise those transactions.

Vanquis rejected Mr V's claim for fraud as he had told the bank (on 17 December 2013) that his PIN was written down in the card wallet that (he believed) had been stolen. Mr V was very unhappy with the bank's response and – after further contact with it – referred the matter to this service in February 2014.

He thought the bank should have stopped the disputed transactions – and he could not understand why it had told him there was no activity on the account when there had been. Mr V was also cross the bank had not obtained CCTV recordings as these would prove he did not make the transactions.

Our adjudicator looked into the complaint and pointed out to Vanquis that it could not hold Mr V responsible for the disputed transactions on the grounds of him being negligent with his card and PIN. The bank accepted this but considered the person making the transactions had known Mr V's PIN – and there was no obvious point of compromise for when an opportunist thief might have seen this. So it continued to hold Mr V responsible for the transactions.

The adjudicator did not recommend Mr V's complaint should be upheld for several reasons. He was satisfied the bank's records showed Mr V's real card had been used to make the disputed transactions. And as Mr V had not used the card during his night out, there was no point at which a fraudster would be able to see Mr V's PIN.

There had also been no attempt to use Mr V's other credit card that had gone missing at the same time. The spending on the Vanquis account took it almost exactly up to the available credit limit – there was no way a fraudster would know what this was. The four disputed transactions were spread over several hours, which is not the pattern of use expected by a fraudster.

It was not the role of this service to comment on any bank's security arrangements but transactions carried out using Mr G's real card and correct PIN were unlikely to arouse suspicion on the part of Vanquis.

The adjudicator accepted that Mr V may have thought there was no activity on his credit card after his call to Vanquis in the evening of 30 November 2013. But that would not have changed matters – the transactions had taken place before he contacted the bank. And getting CCTV recordings would not help as this would show who had carried out the transactions, rather than how they had been able to do so.

Mr V did not agree with this view so the matter has been referred to an ombudsman for a final decision. Mr V's solicitor also responded on his behalf saying the adjudicator's view was inequitable – Mr V had contacted the bank to report the loss of his card and it had failed to contact him when the unusual spending took place.

my findings

I have considered all the available evidence and arguments to decide what is fair and reasonable in the circumstances of this complaint. Having done so, I have reached the same conclusion as the adjudicator.

I cannot say who carried out the disputed transactions. The key issue I have to consider is whether Vanquis can hold Mr V responsible for them. I believe it can. I do not accept Mr V's solicitor's view that the complaint should be upheld simply because Mr V reported the loss to the bank and it did not tell him about the disputed transactions.

There is little I can add to what the adjudicator has already said. I consider he set out the position clearly and thoroughly (including on the points raised by Mr V's solicitor, which he responded to separately). And, to be frank, I have some difficulty in accepting Mr V's description of the circumstances of this complaint.

His version of events appears to have changed at times. For example, he originally said he was looking for his wallet late in the afternoon of 30 November 2013, but later said it was in the morning, so he could go shopping. I also find it strange that he should find his missing diary (which had his PIN information in it) some five months later – when the issue of his PIN became more important to our adjudicator's investigation. None of this helps Mr V's credibility.

For me to uphold Mr V's complaint, I would have to accept the fraudster:

- already knew Mr V's PIN – as there was no point of compromise due to Mr V not using his Vanquis (or other credit) card on his night out;
- then followed Mr V to (or somehow chanced upon finding him in) a busy city and/or travelled home on the same bus as Mr V – so they were able to find/steal his wallet without him realising – although I accept Mr V has admitted in one version of events that he was intoxicated on his night out;
- had some knowledge of the credit limit on Mr V's Vanquis account;
- chose not to try and use (at least one of) Mr V's other cards – even though Mr V says the PIN was the same as his Vanquis card (which in itself is doubtful given that the bank has confirmed it has never been changed);
- was not in an undue hurry to use the card to make the disputed transactions ; and

- knew not to try and use Mr V's card after it had been blocked – it is not clear how they would have known this was the case.

In simple terms, I do not think the above combination of circumstances is likely. I cannot rule out the possibility that Mr V carried out the disputed transactions himself. If he did not, then I am satisfied they were made by somebody with his knowledge or authority.

I know this will disappoint Mr V. He has set out clearly his feelings about this matter and the impact that it has had on his personal circumstances. But, given my very serious doubts, I do not believe I can fairly direct Vanquis to take any action to address Mr V's concerns and it does not have to refund the money.

my final decision

For the reasons I have given, my final decision is that I do not uphold Mr V's complaint.

Andrew Davies
ombudsman