

complaint

Ms T complains that Vanquis Bank Limited (“Vanquis”) did not respond when she wrote to it about her credit card debt. She says the bank continued to levy charges. She complains about irresponsible lending.

background

Ms T wrote a letter to Vanquis in autumn 2012 saying that she was in financial difficulties. She complained that the bank did not respond.

The adjudicator did not recommend that the complaint should be upheld. She concluded that Vanquis had refunded charges since October 2012 and offered to pay £50 to cover the cost of Ms T’s telephone calls. The adjudicator said this was a fair resolution for not addressing Ms T’s financial difficulties earlier. She did not conclude that Vanquis had acted irresponsibly by increasing Ms T’s credit limit.

Ms T disagrees with the adjudicator’s opinion. She says that the Office of Fair Trading has said that – before increasing a credit limit – the lender should consider the borrower’s ability to repay in a sustainable manner.

my findings

I have considered all the available evidence and arguments to decide what is fair and reasonable in the circumstances of this complaint.

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 the wider circumstances.

I accept that Vanquis increased Ms T’s credit limit without any discussion. But – at the time – Ms T was making monthly repayments of more than the minimum amount. Therefore I do not consider that it was unreasonable for Vanquis to conclude that she would be able to repay an increased amount in a sustainable manner. And Ms T had the option to decline the increased limit or, of course, not to spend up to that limit. I do not conclude that Vanquis lent irresponsibly to Ms T.

I am not satisfied that Vanquis responded as quickly as it should have done to Ms T’s letter. But I see that it has refunded over £600 it charged after it received that letter. And it has paid Ms T a further £50. I conclude that this is fair and reasonable redress.

Its response to Ms T’s financial difficulties has included offering repayment plans, instructing collection agents and freezing interest and charges. I consider that this response was within a range of reasonable responses, bearing in mind its regulatory obligation to treat consumers who are in financial difficulty positively and sympathetically.

my final decision

For the reasons I have explained, my final decision is that I do not uphold this complaint.

Christopher Gilbert
ombudsman