

complaint

Mr C complains that Vanquis Bank Limited mis-sold him a card-protection policy. Mr C is being assisted in this complaint by Mrs C.

background

Mr C applied for a credit card with Vanquis in 2011. Vanquis called Mr C to complete the application process. After it had been confirmed that he had been approved, Mr C was sold an Identity Theft Alert Service. For £6 a month this gave him:

- unlimited access to his credit file; and
- an alert service to his mobile or e-mail, alerting him to certain changes in his credit file; and.
- access to a personal case worker to help him clear his name, if he is subject to identity theft; and.
- an internet presence monitoring service.

Mr C was told the plan was administered by a third party; he would receive a welcome pack, containing various details including applicable interest rates, and that he had 14 days to cancel the plan if he changed his mind.

Mr C complains the plan he was sold was worthless as Vanquis had to provide the cover anyway. He also believes the premium should've been refunded to him but he was never notified of this and never received any redress compensation.

Our investigator didn't think Vanquis had done anything wrong. She was satisfied Mr C had been given a clear choice in whether to take out the Identify Theft Alert Service and he'd been told the features of the product during the call.

Mrs C asked for the matter to be referred to an ombudsman. In summary, she says:

- Mr C only agreed to the policy because she had also taken it out (she usually deals with all financial matters). Mr C wouldn't have been interested in the plan or how it benefited him.
- She thinks he called to activate his card and was put through to someone to sell him the plan which he didn't really want.
- They couldn't afford the plan as they were experiencing some financial difficulties at the time.
- She feels Mr C has been duped into taking the plan out.

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've decided I'm not upholding this complaint. I explain why below.

Mr C thinks he should automatically have his premiums refunded and questions why he hasn't heard from Vanquis or the plan provider about this. I think Mr C might be thinking about the redress scheme that was set up for a similar product from the same provider. But Mr C's plan wasn't part of that scheme and so he wouldn't have been written to or provided with refund.

I have listened to the call recording. It was Vanquis calling Mr C to complete the application process rather than Mr C calling to activate the card. And the introduction of the Identity Theft plan didn't happen until after Mr C had been told he'd been approved. The call handler introduced the plan as Vanquis being delighted to offer the new service. And Mr C was actively asked during the call if he wanted to take it out. After speaking with Mrs C, Mr C agreed, even jokingly asking if it was possible to have a joint policy. Mr C was also told of his cancellation rights if he changed his mind about taking out the plan. So I'm satisfied Mr C was given a clear choice about the plan and he agreed to it.

Mr C was told of the features of the plan, as I've set them out above. So he was informed of what benefits the plan offered. None of the services offered are services that would have been provided by Vanquis (or any other lender) during the ordinary course of a lender/customer relationship.

Mr C was also told the cost would be £6 a month. Whilst he might not have been specifically told interest would be chargeable on that, he was told the premium would be added to his account. So I think he would've understood this. Vanquis wasn't providing any advice or recommendation to Mr C when it offered the plan, so it didn't have to make sure the plan was right for his needs and circumstances. Therefore it didn't need to check whether the plan was affordable. That was something Mr C needed to do himself and I'm satisfied he was given sufficient information about the cost to enable him to do that.

Mr C was also told of his cancellation rights. So if on reflection he didn't want the plan, he could've cancelled it. I understand he did this later in 2013.

Overall, I don't think Vanquis did anything wrong when it sold the Identity Theft plan to Mr C, so I won't be asking it to refund any of the premiums he's paid.

my final decision

For the reasons given above, I don't uphold this complaint. Under the rules of the Financial Ombudsman Service, I'm required to ask Mr C to accept or reject my decision before 23 October 2017.

Claire Hopkins
ombudsman