

complaint

Mr R is unhappy with the interest and charges that Vanquis Bank Limited have applied to his credit card account.

background

Mr R is unhappy with the charges added to his credit card account. He says that he can't afford to pay for them based on his monthly income. He also explained that he was unhappy that when he called to make a complaint to Vanquis in February it cost him £12 to make the call.

Vanquis explained that Mr R had been told that a cheque that was due to be credited to his account had been processed. But the cheque was stopped and a debit card payment was made instead. So Vanquis accepts that there was some confusion when Mr R was told that the cheque had been processed. Mr R was charged £12 for going over his credit limit and £12 because the cheque was returned unpaid. As a gesture of goodwill Vanquis agreed to refund the two charges and offered £25 in recognition of any confusion caused. Vanquis also explained within their final response letter that another charge Mr R had queried, for around £3, was a cash advance fee and interest. They also agreed to refund the cost of the phone call in February 2018 if Mr R provided evidence of the bill. Finally, Vanquis said that they had tried to help Mr R when he explained that he was in financial difficulty but that he didn't accept the options they offered as he still wanted to use the card.

Our investigator looked into the complaint. She didn't think that the charges which were the subject of this complaint had been applied unfairly. She thought that the offer to refund the charges of £24 was fair and that £25 compensation fairly reflected any confusion caused in relation to the stopped cheque.

Mr R didn't agree – he pointed out that it takes 10 days for Vanquis to process a cheque and that they increased his credit limit. He explained that he couldn't provide evidence of the call in February because he has a pay as you go phone. But he wanted to accept the £25 offered. Mr R got in touch to say that he still hadn't received the £25 refund which had led to him incurring more fees. He reiterated that he's having trouble making his minimum repayments and mentioned that Vanquis has changed the terms and conditions without asking him.

Vanquis provided evidence that the £25 was credited to Mr R's account in May 2018. They also explained that the refund for the February call was related to a separate complaint but they are willing to make Mr R an offer based on the information he's provided as part of this complaint. I understand that our investigator has contacted Mr R to let him know about the offer. Mr R asked an ombudsman to review his complaint.

my findings

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint.

I'm focusing on the charges that Mr R has queried in relation to this complaint. I'm not going to consider the amount of compensation that Vanquis has offered for the phone call in February 2018 as that was primarily dealt with by Vanquis under a separate complaint reference. And Vanquis have made a recent offer to Mr R in relation to that complaint.

Vanquis has a responsibility to treat Mr R positively and sympathetically if he lets them know that he's in financial difficulties. The relevant rules and industry guidance say, in summary, that Vanquis don't have to refund or suspend charges automatically. But the charges should be applied fairly and in line with the account terms and conditions. I'm satisfied that Vanquis has treated Mr R fairly and that they don't need to do anything further to put things right. I say that because:

- Mr R was given confusing information about what had happened with the cheque. Vanquis accepts this was a mistake and has offered to put things right by offering £25 compensation. That money has already been credited to Mr R's account and I've seen evidence to confirm that. I think that adequately reflects the trouble and upset Mr R experienced as a result of being given confusing information;
- I think that the two charges (totalling £24) were applied to the account correctly and in line with the terms and conditions. But Mr R was provided with confusing information about what was happening with his cheque. So I think it's fair that Vanquis refunds the charges. They've already agreed to do that as a gesture of goodwill;
- Mr R has queried the cash advance fee. As Vanquis explained in their final response letter there's a charge when Mr R uses his card to make cash transactions. Looking at his statement for March and April I think he did make a cash transaction which was why he was charged the fee. So I think that the charge has been applied fairly and in line with the account terms and conditions;
- I'm satisfied that Vanquis has spoken with Mr R about different ways in which they can help if he's struggling to meet repayments. But Mr R wants to carry on using the card and hasn't felt that the options they've offered are right for him. That's a matter for Mr R. But I think that they've acted positively and sympathetically by offering him those options;
- Vanquis has explained that the 10 day time frame to process cheques is designed to ensure that the credits are applied to account and that Mr R's available balance is correctly displayed. I appreciate that Mr R has accounts with other credit providers where the cheques clear more quickly. But I think the explanation Vanquis has provided is reasonable. And, in any event, that's a commercial decision they're entitled to make. So it doesn't change my thoughts about the outcome of this complaint.
- Mr R has mentioned that Vanquis increased his credit limit and that they've not informed him about changes to the terms and conditions of the account. I can't see that this is something he raised with Vanquis as part of this complaint so he'll need to make a complaint about those points before our service can consider his complaint.

my final decision

I'm not upholding Mr R's complaint. Under the rules of the Financial Ombudsman Service, I'm required to ask Mr R to accept or reject my decision before 12 August 2018.

Anna Wilshaw
ombudsman