

complaint

Ms B complains that Vanquis Bank Limited increased her credit limit without ensuring she could meet the potential increase in monthly repayments and mis-sold her Repayment Option Plan (ROP). She is also unhappy with the bank's response when she told it she was having financial difficulties.

background

Ms B was given 30 days' notice of a credit limit increase and advised to contact the bank if she did not want it. She did not opt-out and went on to use the increased limit. When her circumstances changed she wanted the bank to accept a reduced monthly payment. It did so, but requested she complete a different income and expenditure form.

The ROP was sold when the account was opened but Ms B does not recall agreeing to it and asks for all monthly charges to be refunded.

Our adjudicator did not recommend that this complaint should be upheld. She said it had been Ms B's choice to accept the increased limit and as she had used the money, the bank had the right to pursue her for the debt. With regards to the ROP, she said there was evidence it was properly discussed on the phone and that Ms B was sent further information in the welcome pack, and each statement showed the monthly cost. Finally, on the bank's response to Ms B's financial difficulties - she concluded it had acted positively and sympathetically by agreeing to a fixed repayment plan and by later reducing the interest rate to 0%.

Ms B disagreed. She said whilst she agreed she had a level of debt with the bank, she did not accept it should include much of the interest, charges and the cost of the ROP as it did. She did not think the bank had been helpful, it had been repeatedly difficult to talk to the right person and letters she sent were ignored. She is also unhappy that the adjudicator has not commented on many of the points she has raised.

my findings

I have considered all the available evidence and arguments to decide what is fair and reasonable in the circumstances of this complaint. My comments here cover what I consider are the material points that influence the outcome.

I am not persuaded that Vanquis needs to reduce the value of the debt Ms B is repaying. I find this because the evidence shows:

- The credit limit was optional, and even after it was applied to Ms B's account she could have chosen not to spend it. The cost was no different from that of her existing credit and it is not reasonable to argue that she could not have anticipated an increase in monthly payments after she used more of the available credit. As Ms B had previously managed her account well, the bank could not have foreseen the pending difficulties.
- Ms B agreed to include the ROP on her account and it was explained it was not a payment protection insurance. The full details were sent in her welcome pack and the cost was shown on each monthly statement. There is no record of her querying this cost at an earlier point.

- The bank reacted promptly once Ms B told it about her financial difficulties, setting up a reduced payment plan and reducing interest. Ms B failed to meet the 14-day deadline for the first payment so the arrangement was suspended. However, it then re-instated a payment arrangement and refunded the previous month's charges. The bank's request for the income and expenditure form to be re-submitted from a debt management company was in order to review her request that all interest and charges be frozen. Her initial submission led to the £50 a month plan.

I note that Ms B has made repeated attempts to resolve this with the bank, and this has been made harder by the constraints she has in terms of receiving calls from the bank, but I do not find there is enough evidence to agree with her view that Vanquis has not met its obligations to treat customers in financial difficulties positively and sympathetically.

In summary, whilst I can see it has been frustrating for Ms B, I am not persuaded there are any grounds to direct the bank to reduce the value of the outstanding debt.

my final decision

My final decision is that I do not uphold this complaint.

Rebecca Connelley
ombudsman