

complaint

Mrs B complains about the sale of an identity protection monitoring service by Vanquis Bank Limited.

Mrs B is represented in her complaint by a person I'll call "Mr A". However, to keep things simple I've written my decision as if any information that came from Mr A came from Mrs B.

background

Mrs B has a credit card with Vanquis. In September 2013 Vanquis called her to offer the product on behalf of the provider "E".

Mrs B agreed to take out the product. Her Vanquis credit card was debited £6.99 per month until she cancelled the subscription in June 2015.

She complained to Vanquis about the sale. Vanquis said that it hadn't done anything wrong and it didn't uphold the complaint.

Mrs B didn't agree with Vanquis so she came to us.

Our adjudicator thought Mrs B had a point. He said that the product wasn't suitable for her and that the sales process conducted by Vanquis didn't adequately explain the product to her.

Vanquis disagreed so the complaint has been passed to me for a final decision.

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 going to uphold Mrs B's complaint. I explain below why I've reached this conclusion.

it's not clear why Mrs B might've needed the product

Before I comment on the sale I believe it's important to first look at the product and what it provides.

The terms and conditions say the main benefit is a monitoring service of any unfamiliar activity on Mrs B's credit file. It offers to monitor her credit report looking for certain (unspecified) changes that could be a sign of potential fraud. It would then notify her by text or email and provided an individual log in so she could track her credit report online.

This is all well and good, but I'd also expect financial businesses who report to credit reference agencies to notify their own customers if they thought something looked suspicious. And I see Vanquis' website says "*we'll look out for you*" if there is suspicious activity. Other financial businesses that Mrs B had products with most likely say this too. So it's not clear to me why Mrs B might have needed this product to keep her safe from fraud.

why I think it's fair and reasonable that she should get a refund

Further the other issue here is about the sale of the product by Vanquis and whether it was suitable for Mrs B.

I've listened to a recording of the sales call. I accept Vanquis' position when it says that Mrs B wanted to buy the product. I also heard that the cost of the product was set out clearly and that it would be debited from her credit card account each month.

But this doesn't tell me the product was suitable for her. Halfway through the call Mrs B passed the phone to her relative to speak with Vanquis' sales adviser. He asked for the information to be emailed so they could consider the product and make a more informed decision. But they were told this wasn't possible and they'd get this information after taking out the product anyway. I can understand why in these circumstances Mrs B says she felt "*pressurised*" to take the product.

Further, it seems that Vanquis' sales advisor overstated the importance of the product by claiming that identity theft was on the increase. This may have been true at the time but I cannot see why Mrs B might have been particularly at risk of this happening to her. But I think that is the impression she formed and that appears to have influenced Mrs B into taking out a product she otherwise wouldn't have done.

Overall I'm not satisfied the product was suitable for Mrs B at all.

For all of these reasons, and on balance, I think she should get a refund from Vanquis.

my final decision

It's my final decision that Vanquis Bank Limited should:

- Refund all payments taken from Mrs B for the product from the date of payment to the date it was cancelled.
- Add simple interest to each payment from when she paid it until she gets it back. The rate of interest is 8% simple a year.
- If Mrs B was charged any late payment fees, or any other fees or interest because of these payments these should be refunded too. Vanquis should add simple interest to each payment from when she paid it until she gets it back. The rate of interest is 8% simple a year.
- Show Mrs B its workings for how it calculated the refunds and the interest. If Mrs B does not agree with these calculations she can bring that one limited part of her complaint back to us.

If it considers it is legally required to deduct income tax from that interest, it must send a tax deduction certificate with the payment so that Mrs B can reclaim the tax if she is able to.

Mrs B should refer back to Vanquis if she is unsure of the approach it has taken about the income tax deduction.

Both parties should contact HM Revenue & Customs if they want to know more about the tax treatment of this portion of the compensation.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs B to accept or reject my decision before 2 March 2016.

Joyce Gordon
ombudsman