

## **complaint**

Mr D complains that Vanquis Bank Limited:

- Mis-sold him a repayment option plan in connection with his credit card.
- Didn't activate the repayment option plan after he suffered a disability.
- Didn't give him online access to his account.
- Unfairly applied interest and charges to the credit card debt.
- Called him an unreasonable amount of times in relation to the debt.
- Didn't to reply to all his letters.

## **background**

Mr D took out a Vanquis credit card and repayment option plan in October 2012. He used the credit card soon after opening and has made only one repayment since then. He blames this on not being able to access his online account. He also says Vanquis should have activated the repayment option plan when it learned of his disability.

Our adjudicator did not recommend that the complaint should be upheld. He said, in summary, that:

- Vanquis explained clearly how the repayment option plan worked before Mr D agreed to take it out. Mr D would then have been sent the plan terms and conditions which explain how and when the plan could be activated. Vanquis did not mislead Mr D about the plan.
- There was no reason for Vanquis to activate the plan so Mr D was always required to make a monthly repayment.
- Vanquis had been unable to identify any problems with Mr D's online account so it seemed more likely the problem was at Mr D's end. If Mr D was unable to access his account he could have called Vanquis in order to find out what he owed and make a payment.
- It was not wrong of Vanquis to call Mr D when his monthly repayments were not made and eventually pass on the debt to a third party.
- Vanquis has shown that it wrote to Mr D twice in relation to the matters he had complained about.

Mr D did not accept the adjudicator's findings. He said, in summary, that:

- Vanquis did write to him twice but failed to reply to eight of the letters he wrote.
- The adjudicator misinterpreted the repayment option plan terms and conditions and Vanquis should have activated the plan given his circumstances.

## **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 – that is, what I consider is most likely to have happened in light of the available evidence and the wider surrounding circumstances.

*was the repayment option plan mis-sold?*

I have taken into account what Mr D says he was told before agreeing to take out the repayment option plan. But it seems to me, having listened to the call, that he must have misunderstood what he was being told.

As the adjudicator has pointed out, Vanquis confirmed that Mr D's credit card application had been successful before it offered him the choice to take out the repayment option plan. Vanquis also explained that the plan was optional and checked that Mr D wanted the plan. So I am satisfied Mr D ought to have realised he had a choice about whether or not to take out the plan.

Vanquis also explained that:

- Given that Mr D was retired the plan would cost £1.19 per £100 of his monthly credit card balance.
- The plan could help by allowing Mr D's account to be frozen for up to two years if he experienced difficult financial circumstances.
- The circumstances in which the plan could be activated were:
  - If Mr D became sick, disabled or had an accident which affected his ability to make monthly repayments.
  - If Mr D's partner or immediate family member died
  - If Mr D had to stay in hospital because of a medical condition.
  - If Mr D had to attend jury service
  - If Mr D's home was significantly damaged by a natural disaster such as a flood.
  - If Mr D's partner or immediate family member died.
- The plan was not an insurance policy so it wouldn't pay off any of the credit card debt. It would simply freeze the account.
- Full details of the plan would be sent to Mr D in a welcome pack. He needed to read through these documents to check the plan met his needs because Vanquis had not given him any advice.

I am satisfied that Mr D did not tell Vanquis that he was already experiencing medical problems and was in receipt of disability living allowance.

Overall, I am not persuaded that Vanquis misled Mr D about how the plan worked and in what circumstances it could be activated. So I cannot fairly uphold this part of Mr D's complaint.

*should the repayment option plan have been activated at some point?*

I have reviewed the five letters that Mr D says he sent to Vanquis between 26 December 2012 and 11 June 2013 and which he enclosed with his completed complaint form. And, as far as I can see, it was not until a letter dated 27 April 2013 that Mr D told Vanquis he was receiving disability living allowance. But he also says in that letter that he has *"always had funds available to meet [his] payments."*

Vanquis tells us that it has never received a request from Mr D to activate his account and, given what he said in his letter, I am minded to accept what Vanquis says.

In the circumstances I am not persuaded that Vanquis ever received a request to activate the repayment option plan or failed to act on such a request.

*did Vanquis prevent Mr D from accessing his account and making payments?*

I have seen little to support Mr D's assertion that it was a problem at Vanquis' end that meant he couldn't log on to his online account. It also seems to me that Vanquis tried to help with Mr D's problems and explained that he could phone to get an account balance.

I appreciate Mr D was unwilling to call the number Vanquis provided because of the costs he would incur doing so. But that was his choice and I do not think it was wrong of Vanquis to give him only one number to call.

Mr D has not disputed that he used his card and owed Vanquis money. I consider it was his responsibility to make the necessary monthly repayments and there was a variety of ways he could find out what he owed. He could also make the monthly payment in a number of ways, including by debit card, bank giro, direct debit, standing order.

As Mr D did not make the monthly repayments he was obliged to make I don't consider it was wrong of the Vanquis to apply charges and interest to his account.

Vanquis offered to refund one late payment fee of £12 and that seems fair to me in the circumstances.

*was it unfair that the bank (and its agents) called Mr D so frequently?*

It is not unusual for lenders to call customers when payments are not made on time. Vanquis says if Mr D has made a payment on any of the occasions it called him then the calls would have stopped until the next due payment was missed. But Vanquis says Mr D refused to go through its security checks in order to discuss the account so it was only ever able to take one payment from him.

I do not think it was wrong of Vanquis to call Mr D in the way that it did, given the way he was operating his account. It seems to me that Mr D ought to have known he owed the bank money and he was given ample opportunity to make payments during these calls but he chose not to do so.

*should Vanquis have replied to all of Mr D's letters?*

I would expect a business to reply to a customer's correspondence and can understand Mr D's frustration when he didn't receive the responses he was expecting. But it seems this was because Vanquis may not have received all of the letters Mr D says he sent. And Mr D may not have received all the letters Vanquis sent to him.

Vanquis' records suggests it tried to call Mr D on occasion in relation to his correspondence and it ultimately issued a final response letter on 21 February 2013 which dealt with his concerns about his online account access, his statements, the fees applied to his account

and making payments. Vanquis sent a further copy of this letter to Mr D on 19 April 2013 after he told it he hadn't received the previous copy.

In the circumstances, I am not persuaded that Vanquis did anything wrong so I cannot fairly tell it to pay Mr D any compensation.

**my final decision**

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

Ruth Lewis  
**ombudsman**