

complaint

Mr E complains about the way Vanquis Bank Limited has administered his Repayment Option Plan (ROP).

our initial conclusions

Our adjudicator did not consider that Vanquis Bank has adequately compensated Mr E for not letting him know that the ROP was being deactivated and failing to give him the opportunity to continue its activation. She recommended that the bank pay him £100 for any distress and inconvenience caused and treat his account as if the ROP was active up to the date the bank realised it had not reviewed it plus the remainder of the three month period in which Mr E could have provided evidence that its activation should be continued. She considered Mr E's account should be adjusted accordingly. The bank has also updated a default recorded on Mr E's credit history. Vanquis Bank does not agree. It points out that its error has meant that Mr E's ROP was activated for an additional ten months with the account charges and interest being frozen and it does not agree that a £100 award is appropriate as Mr E had the opportunity to send in documents and have the plan reactivated but did not do so.

my final decision

To decide what is fair and reasonable in this complaint, I have considered everything that Mr E and Vanquis Bank have provided.

The bank's error resulted in the ROP continuing to be activated for an additional ten months. But once it realised its error I do not consider Mr E was given a reasonable opportunity to provide evidence for its continuation until the bank wrote to him towards the end of January 2013. So I find it is reasonable that the ROP should be deemed active for an additional period ending on 14 February 2013. I accept that Mr E will have been caused some inconvenience by the bank's error, not least as debt collectors were appointed by it, and, having regard to all the circumstances and the level of awards we make, I am not persuaded that a payment of £100 for this is unreasonable as the bank suggests.

My final decision is that I uphold this complaint as more fully set out overleaf.

Under the rules of the Financial Ombudsman Service, I am required to ask Mr E either to accept or reject my decision before 30 July 2013.

Stephen Cooper

ombudsman at the Financial Ombudsman Service

The ombudsman may complete this section where appropriate – adding comments or further explanations of particular relevance to the case.

ombudsman notes

In full and final settlement of this complaint I order Vanquis Bank Limited, if it has not already done so:

1. To treat the ROP as being activated until 14 February 2013 and rework Mr E's account accordingly;
2. To pay £100 compensation to Mr E.

what is a final decision?

- A final decision by an ombudsman is our last word on a complaint. We send the final decision at the same time to both sides – the consumer and the financial business.
- Our complaints process involves various stages. It gives both parties to the complaint the opportunity to tell us their side of the story, provide further information, and disagree with our earlier findings – before the ombudsman reviews the case and makes a final decision.
- A final decision is the end of our complaints process. This means the ombudsman will not be able to deal with any further correspondence about the merits of the complaint.

what happens next?

- A final decision only becomes legally binding on the financial business if the consumer accepts it. To do this, the consumer should sign and date the acceptance card we send with the final decision – and return it to us before the date set out in the decision.
- If the consumer accepts a final decision before the date set out in the decision we will tell the financial business – it will then have to comply promptly with any instructions set out by the ombudsman in the decision.
- If the consumer does not accept a final decision before the date set out in the decision, neither side will be legally bound by it.