

## **complaint**

Miss K complains that Vanquis Bank Limited called too early for a direct debit payment after she switched her account to a new bank. As a result, it was returned unpaid and this caused her financial problems.

## **background**

When Miss K switched her bank account, Vanquis Bank cancelled the direct debit it had set up with her old bank and the following day, it created a direct debit mandate with her new bank.

Three days later, it called for this payment, but Miss K's new bank refused the payment request. It said that Vanquis should have allowed seven working days before claiming this payment under the rules that apply to transactions of this type.

When she complained, Vanquis refunded some of the charges it had applied to her account.

But Miss K is not happy that Vanquis didn't also increase her credit limit as she had expected it would do. She wants her credit file to be amended and she'd like Vanquis to pay her compensation.

The adjudicator upheld her complaint. And she felt that in addition to the charges it had refunded, Vanquis should take further action to put things right for Miss K.

Vanquis hasn't responded so I am reviewing Miss K's complaint.

## **my findings**

I have considered all the available evidence and arguments to decide what is fair and reasonable in the circumstances of this complaint.

Vanquis hasn't responded to our requests for information about this complaint, but I am satisfied that I've seen evidence that it acted incorrectly when it called for payment on a direct debit mandate without waiting for seven days after it set this up on Miss K's account.

Miss K has explained that this caused a number of financial problems for her.

The role of the Financial Ombudsman Service is to put customers back into the position they would have been in had the mistake not occurred.

I agree with the adjudicator that Vanquis should take all necessary steps to do this, and I've set these out below.

I am also satisfied that it is fair and reasonable that Vanquis should pay compensation to reflect the distress and inconvenience caused by its mistake, and its failure to engage with this service in trying to resolve Miss K's complaint, which has added to her worry about how things are going to be sorted out.

**my final decision**

For these reasons, my decision is that I uphold this complaint. I order Vanquis Bank Limited to take the following steps:

- confirm that it has refunded all charges it applied to Miss K's account as a result of its error in calling too soon for the direct debit payment it created to be paid; and
- remove (and confirm that it has done so) any adverse information which has been reported to the credit reference agencies as a result of its error; and
- pay Miss K £100 compensation; and
- if Miss K wants her credit limit to be increased beyond its present amount, to assess whether she meets its criteria for additional borrowing without making reference to any adverse information it has recorded as a result of this error.

Susan Webb  
**ombudsman**