

complaint

Mr A complains about the way Vanquis Bank Limited has dealt with him over a credit card payment arrangement he entered into.

background

Vanquis was unhappy with the position on Mr A's account, and blocked his use of it. In February 2015, Mr A agreed with Vanquis that he'd repay a significant proportion of his outstanding balance within nine months. In return, Vanquis said it then would waive a little over £900, and reinstate his account access, albeit with a lower credit limit. The bank also said it would reduce Mr A's interest rate.

During the course of the arrangement, there was a disagreement over the sum Mr A had repaid. Mr A believed he'd paid more to Vanquis than the bank said he had. It later turned out Mr A was mistaken about a cheque payment he'd made, which had been to someone other than Vanquis. But he's unhappy with misleading information Vanquis gave him, and the overall way in which the bank handled his situation. In particular, he felt it was unfair that Vanquis wouldn't keep to the original arrangement, as he'd paid the amounts it had told him was due.

Vanquis said that because Mr A hadn't paid all the amounts in line with the agreement, it wasn't willing to waive the amount previously stated, or to reinstate the account. Instead, the bank passed Mr A's remaining balance with a collection agent. In recognition of the wrong information it had given Mr A, Vanquis made several offers of compensation.

Our adjudicator thought the bank's latest offer – to pay Mr A £150 – was fair. She noted Mr A had received the incorrect information in August 2015. The following month, he'd paid the amount discussed. But Vanquis had later come back to Mr A, within the nine-month term, explaining that further payment was due. Mr A had agreed to make that further payment within a few days, but then failed to do so.

Mr A hasn't accepted the adjudicator's conclusions. He's asked for this review. In doing so, he's questioned some of the evidence, including offers Vanquis says it made, but later withdrew. Mr A's daughter also responded on her father's behalf. She felt it was important to ensure we were aware of Mr A's medical problems, and how they related to his dealings with Vanquis. And she reiterated concerns Mr A had expressed that Vanquis hadn't dealt with his queries in a timely way, which had led to the failure of the payment arrangement.

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 understand why Mr A feels aggrieved at the situation. He clearly believed he'd paid the necessary amounts to Vanquis, who affirmed that position in August 2015. So I can see why Mr A questioned matters when Vanquis later told him he still had an amount to pay. And I agree that Vanquis should've handled Mr A's query rather better than it did.

That said, it's clear that when Mr A did speak with Vanquis on 28 October 2015, he accepted he had an amount still to pay. He agreed he'd pay the money on 30 October. If Mr A had made the agreed payment, the arrangement would've been kept. So it was the fact he didn't

do this, rather than the way Vanquis handled matters up to that point, that meant the arrangement lapsed.

I've considered what Mr A and his daughter have said about that issue, and about Mr A's state of health. Having done so, I don't think they give sufficient reason to say Vanquis has to reinstate the concessions it originally offered. That would effectively be saying, even though Vanquis had at that point told Mr A the correct position, the bank should extend the timescale because Mr A didn't accept it. I don't consider that would be the right way to deal with matters.

Rather, I think the fair way to address the problems caused when Vanquis gave Mr A the wrong information would be for the bank to pay him suitable compensation to reflect his distress and inconvenience arising from its mistake. Having reviewed all that happened, like the adjudicator, I find the bank's current proposal to pay Mr A £150 is an appropriate sum in this respect.

I don't consider it necessary for me to require Vanquis to reinstate Mr A's account or his prior credit limit. I'm satisfied in this instance that those are matters for the bank to decide for itself.

my final decision

My final decision is that Vanquis Bank Limited should pay Mr A £150 to settle this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr A to accept or reject my decision before 27 May 2016.

Niall Taylor
ombudsman