

## **complaint**

Mr J complains about how Vanquis Bank Limited has managed his credit card account.

## **background**

Mr J told us that over a period of time Vanquis has made repeated mistakes on his account. He said that he was unhappy that he'd been given incorrect information about his payment amounts and due dates on a number of occasions over the last four years. And he was unhappy that missed payment markers had been placed on his credit record, even though Vanquis had agreed that no payments had been missed. He thought that because Vanquis couldn't supply a copy of his credit agreement, he didn't have a valid agreement with Vanquis. He wanted his whole balance written off, and the account to be closed.

Vanquis wrote to Mr J about his complaint. It divided his complaint up into four areas.

*the compensation he'd recently been offered wasn't sufficient, and didn't reflect the historic service issues he'd experienced*

Vanquis referred to a previous complaint, where Mr J said that a continuous payment authority ("CPA") which he had set up on his account wasn't clearing the minimum payment. Vanquis had paid Mr J some compensation for that complaint, and agreed to remove late payment markers from his credit file. Mr J said that wasn't enough, and the late payment markers hadn't been removed.

In its recent letter, Vanquis said that it had now reviewed Mr J's call, and it thought that the complaint shouldn't have been upheld. It thought that the advice it had given Mr J was correct at the time, and only became incorrect following an increase to Mr J's credit limit in November 2016. The CPA wasn't enough to clear the minimum payment once Mr J started to spend more on the card. But the minimum payment is noted on each of Mr J's statements, so Vanquis thought it was really his responsibility to make the right payment on time. It said it would remove the late payment markers from his credit record, going back to April 2016, which is what it had offered to do in its previous letter. But it wouldn't pay more.

*reviewing the compensation from older complaints*

Vanquis said it wouldn't look back at Mr J's previous complaints to reassess compensation issued then. He had six months from the date of the letter sent out for each of those complaints to ask the ombudsman service to look at the issue, if he wanted to do that.

*correcting his credit file*

Vanquis said that it was obliged to report to the credit reference agencies on a monthly basis, and that report would be a true reflection of how Mr J's account has been maintained. But it does allow some time for late payments to be made before it will report those, so if Mr J is only a little late, that may not be reported.

Mr J's credit file only shows one late payment, in November 2015. Vanquis said it had responded to Mr J's complaint about that in March 2016, and it wouldn't remove that late payment marker.

*misadvice over payments when setting up a recent direct debit in April 2017*

Vanquis said that Mr J had been told that a new direct debit would start to collect payments in June. Some refunds covered his minimum payment for April. The payment that was due in May was collected from his debit card. Both the April and May payments were collected correctly, and no late payment was recorded.

At the time when Vanquis wrote to Mr J about this, in June 2017, the account was over its limit. Vanquis said that was because of spending by Mr J. It wasn't because of any incorrect information provided by the call handler when Mr J's direct debit was set up.

#### *Mr J's credit agreement wasn't signed*

Vanquis sent Mr J a copy of his credit application and of the terms and conditions for his account. Vanquis said that it understood that Mr J was now experiencing financial difficulties, so it offered Mr J some support with that, if he would like it.

Mr J has raised additional complaint points to those listed above. I've previously explained why this service can't deal with those issues. Mr J hasn't commented further on this.

Our investigator didn't uphold this complaint. He said that there was only one negative marker on Mr J's credit file for this account, dated November 2015. Vanquis had previously responded to a complaint about this, and given Mr J six months to refer that complaint to this service. Mr J hadn't done that, and it was too late for this service to consider this issue now.

Our investigator said that Vanquis had provided compensation and refunds for previous complaints about the issues Mr J had raised. Each complaint is normally looked at separately, even if it's about something that has happened more than once. Businesses aren't generally expected to reinvestigate situations which they have already dealt with. So he didn't think that it was unreasonable for Vanquis to have dealt with each complaint Mr J had raised and compensated Mr J in the manner it had for each incident.

Our investigator said that Mr J had recently complained that Vanquis hadn't put his account on hold whilst this complaint was being investigated, although it said it would. Vanquis was looking at this as a separate complaint, and would respond on that in due course.

Mr J didn't agree with our investigator. He didn't think that Vanquis had done enough to make amends. Its actions had impacted him financially and emotionally. He thought that when Vanquis had accepted liability for his complaints, it should pay compensation too. He said that removing charges didn't count as compensation. He wanted an ombudsman to consider his complaint, so the case was passed to me for a final decision.

#### **my provisional decision**

I issued a provisional decision on this complaint and explained why I didn't propose to uphold it. This is what I said then:

- Mr J received four letters from Vanquis about his complaints in the six months before he contacted us. Vanquis wrote to him on 14 March 2017 about a repayment plan on his account. It said that while Mr J had agreed to the plan without any pressure being placed on him, it wasn't satisfied that Mr J had been given all the information that Vanquis thinks is appropriate when the plan is being sold. So it said it would be making a full refund of

the fees, interest and charges that Mr J paid for the plan. I don't think that Vanquis has to do more than this to deal with this aspect of Mr J's complaint.

- Vanquis wrote to Mr J again on 24 March, about a CPA set up on his account. It said that had been set up in April 2016, to make the minimum payment each month. Vanquis upheld this complaint, because it said that Mr J should've been told that the amount of a CPA was fixed. It wouldn't change, so if his minimum payment went up, then it would no longer be covered by the CPA. When his minimum payment did go up, and the CPA didn't clear the minimum payment, the card was suspended. Vanquis said it was sorry about this. It would pay Mr J £50 in compensation, and remove the negative markers on his credit file.
- Vanquis wrote about the same CPA issue on 3 April 2017. It said then that all the negative information recorded on his credit file since that CPA was set up has been removed. If he thought there were other mistakes on his credit file, then he should bring that to its attention. Vanquis thought, since it had agreed to remove the negative markers on Mr J's credit file, that the compensation of £50 it had paid was adequate. But it said that it had also offered Mr J a bit more compensation, an additional refund of £35.77. That hadn't been paid promptly, but Vanquis had now paid £36 onto Mr J's account. That would cover his minimum payment for April. And Vanquis urged Mr J to contact it if he wanted a direct debit set up to make the right payment every month.
- Vanquis then sent the letter our investigator saw, which I've detailed above, in June 2017, which said that Mr J's complaint about the CPA shouldn't have been upheld after all, and made the other points set out above. I'll deal with these issues in turn.
- *the CPA*
- I know that Vanquis has changed its mind about this recently, but Vanquis originally upheld Mr J's complaint about this. It thought that if Mr J had a CPA set up to pay his minimum payment every month, he should've been warned that this would pay a set amount, which might be more or less than the amount due. Vanquis said he wasn't warned about that, so it decided to remove the resulting late payment markers from Mr J's account. I think it would've been better if Mr J had been told that. But I also think that the steps Vanquis has taken form reasonable response to this complaint, which produces a fair outcome.
- I've seen the information that Vanquis is supplying to credit reference agencies now, and it doesn't include late payments for this period. Vanquis also paid Mr J some compensation. It paid him £50, and then when he said that wasn't enough, it added a further £36, which covered a minimum payment on his account. Although I know Mr J doesn't think Vanquis has paid enough for this, I think that a total of £86 in compensation is sufficient to make up for what went wrong with the CPA.
- *compensation from older complaints*
- I know Vanquis has refused to review Mr J's previous complaints to reassess the compensation it offered. It said that Mr J was informed about his rights to bring his complaint to this service each time. I think that was the right next step for Mr J to take if he wasn't happy with the compensation offered. I don't think Vanquis has to review compensation awards that it has made previously to Mr J.

- *correcting his credit file*
- Vanquis said that there was only one late payment on Mr J's file. It had already responded to Mr J's complaint on that, in March 2016. I've seen that response, and for the reasons I've explained, I think Mr J is too late to bring a complaint about that to this service now.
- *misadvice over payments when setting up a recent direct debit in April 2017*
- Vanquis said that Mr J's account was over its limit in June 2017. It said that was because of spending by Mr J. It wasn't because of any information provided by the call handler when Mr J's direct debit was set up. I've listened to that call, and I can't hear any incorrect advice given by the call handler. And I can see that Mr J's minimum payments were taken in April and May, in line with the discussion Mr J had with Vanquis when he set up the direct debit. I can also hear that Mr J was surprised by the amount he had spent at that time. He didn't think it could've been that much. I don't think that it is Vanquis' fault if Mr J went a little over his limit after this.
- *Mr J's credit agreement*
- I understand that Vanquis has now sent Mr J his signed credit agreement.
- Vanquis has also offered to help Mr J if he is in financial difficulties. That is how I would expect Vanquis to respond to Mr J's current situation. I hope Mr J will take up that offer if he feels it would be helpful to him.
- *summary*
- I've considered Mr J's recent complaints to Vanquis, and its responses, carefully. I know Mr J will be disappointed, but I don't think this complaint should be upheld.

I invited the parties to make any final points, if they wanted, before issuing my final decision. Neither party responded to my decision within the deadline for them to do so.

### **my findings**

Although neither party has sent in any further points for me to consider, I've still reconsidered all the available evidence and arguments to decide what is fair and reasonable in the circumstances of this complaint. I haven't changed my mind.

I know Mr J will be disappointed, but I still don't think his complaint should be upheld.

### **my final decision**

I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr J to accept or reject my decision before 3 May 2018.

Esther Absalom-Gough  
**ombudsman**