

## **complaint**

Miss O complains that Vanquis Bank Limited (Vanquis) didn't cancel a transaction on her account. She would like this to be investigated. And the amount she lost refunded.

## **background**

Miss O says on 12 May 2018 she paid a £2,200 deposit for a car for her daughter using her Vanquis credit card. Unfortunately her daughter changed her mind about the car that same evening. Miss O says she was unable to contact Vanquis to cancel the transaction until 12 May 2018. At that point the money was still in her account. She says Vanquis didn't cancel the transaction. As a result she lost her deposit and doesn't have the car.

Vanquis said that it investigated the payment. But it concluded, looking at the merchant's terms and conditions, that Miss O was liable for the payment.

Pending its investigation Vanquis froze Miss O's account so no interest or charges were accrued on the disputed amount. It acknowledged, once it had concluded its investigation, it hadn't unfrozen the transaction amount as it should have done so. It did then unfreeze the disputed amount but did not apply any backdated interest or charges.

Our investigator didn't uphold the complaint. She found that Vanquis investigated the transaction and its decision, based on the merchant's terms and conditions, not to refund the payment was fair.

Vanquis accepted this view but Miss O didn't. She said she understood it took three working days for a transaction to go through. So, as she contacted Vanquis on 14 May 2018, she felt it had every opportunity to cancel the transaction but didn't. She said in the case of suspected fraud banks must be able to cancel transactions immediately. She felt it was Vanquis' responsibility to recover the money for her.

Our investigator considered Miss O's points but didn't change her view. She clarified the payment was going through as an approved transaction not a potential fraud. So Vanquis couldn't cancel the transaction as the merchant was due to collect the funds. She said Miss O would need to raise the matter with the dealership she bought the car from.

Miss O didn't accept this further view. She felt the investigator's view was biased. And that she shouldn't be responsible for something that Vanquis could have prevented.

## **my findings**

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint.

Miss O feels strongly about this and I do understand why. She has paid £2,200 for a car that she hasn't got. I can understand why she feels this is unfair. So I do appreciate she is going to be disappointed as I've reached the same conclusion as our investigator.

The main issue I have to decide is whether Vanquis has done anything wrong. I can see from its notes that Miss O contacted the bank on 14 May 2018 to cancel the deposit she paid for a car. Miss O says she tried to call Vanquis before then but it doesn't have any record of this.

I have seen Vanquis' notes for the call of 14 May 2018. In that call it's clear that Miss O had agreed the transaction but then changed her mind. The call handler explained that the payment had been approved and couldn't be cancelled. But Miss O could raise a dispute. I think that was the correct advice to give.

I know Miss O has drawn a parallel with fraud cases where banks would, in her view, stop transactions immediately. But there is no suggestion in the call note that this was a fraud issue. It is clear from the notes that Miss O changed her mind about the purchase. In Vanquis' customer contact notes there are details of another call on 5 June 2018 when Miss O says the payment has been fraudulently taken. But by that time the payment had been made. Miss O has given us no evidence of fraud. It's clear to me she changed her mind about the transaction. So I don't think it's reasonable to expect Vanquis to have acted as it would in the case of potential fraud.

Vanquis contacted the merchant to raise a dispute which is what I would expect it to do. The merchant defended its claim referring to its terms and conditions which state that if the vehicle isn't taken and the balance paid in an agreed time the contract would be taken as repudiated with the deposited sum lost where the sale isn't subject of a prospective regulated agreement under the Consumer Credit Act 1974.

I've seen the order form Miss O signed which states Miss O will pay the balance of the money owing on receipt of the car. I can see no evidence of there being a regulated agreement in place. I have no evidence that Miss O paid the balance. And she has told us that she hasn't got the car. So I think the merchant was within its rights to retain the deposit. And therefore Vanquis acted appropriately in not refunding the payment.

As I haven't found Vanquis to be at fault I can't reasonably ask it to refund the £2,200 deposit as Miss O would like.

### **my final decision**

My final decision is that I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss O to accept or reject my decision before 24 June 2019.

Bridget Makins  
**ombudsman**