

complaint

Mr D's complained Vanquis Bank Limited ('Vanquis') provided him with a poor service when it chased him for arrears.

background

In February 2013, Vanquis' fraud department blocked two transactions on Mr D's credit card account. It called him to ask if they were genuine. He confirmed the transactions were fraudulent.

It told him it would stop the transactions and block his card. It also said it would send him a replacement card. It advised him to destroy all his cards, check his statements and get back to it if he didn't recognise any transactions.

Later that month, it tried to collect the minimum monthly payment by direct debit but his bank recalled it.

On 8 March 2013, Vanquis' collections department called Mr D to chase the arrears on his account. He queried the balance and asked whether there'd been any transactions since December 2012. It transpired there'd been another fraudulent transaction for £53.

He asked Vanquis to look into this and, since he was at work, to call him at a more convenient time. It didn't call back and nothing further happened.

On 21 March, Vanquis chased him again for the arrears. The disputed transaction was still on his account so he tried to explain why he thought the balance was wrong. Vanquis told him its fraud department was looking into it but, in the meantime, he still needed to clear the arrears.

Mr D ended the call saying he would be lodging a complaint but he didn't. He heard nothing more about the disputed transaction.

Eventually, in December 2015, he complained to Vanquis about the disputed transaction and asked it to write off the outstanding balance on his account.

At the same time, he brought his complaint to this service.

Vanquis refunded the £53 and all interest and charges he'd incurred since it received his letter.

Our adjudicator didn't think it was reasonable for Vanquis to write off his outstanding balance because he'd used the card for genuine purchases and clearly owed money. But he thought Vanquis' service was poor and recommended it pay him £250 for the distress and inconvenience it caused him.

Vanquis offered to pay £150 compensation. It said he didn't let the fraud department know about the disputed transaction until 2015. And, within days of making his complaint, it refunded the £53, interest and charges.

Mr D wasn't happy with Vanquis' offer and he didn't agree with our adjudicator's opinion either.

He still wants Vanquis to write-off his outstanding balance, or reduce it significantly, and so this case has come to me for a final decision.

my findings

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

Mr D was understandably frustrated with Vanquis when it chased him for the arrears on his account. He felt the balance was wrong, and couldn't be sure how much he owed, because there'd been fraudulent transactions on his account.

But, unfortunately, I don't think this means Vanquis should write off his balance.

He'd used his card for genuine transactions. And he'd exceeded his credit limit before the £53 left his account. Also, Vanquis stopped the two earlier fraudulent transactions so they weren't included in his balance. Based on this evidence, I don't think it would be fair to ask Vanquis to write off his outstanding balance or reduce it.

But I do think Vanquis provided him with a poor service.

I've listened to the three phone calls. I agree it let him believe it was investigating the disputed transaction when it wasn't.

And I think the agent who made the call on 21 March mishandled the situation; even worse, I think he gave misleading advice. These are my reasons.

He refused to log a complaint.

Mr D mentioned a couple of times he knew there was someone who looked into complaints and he asked if there was an ombudsman service. The agent told him there was no one who would deal with his complaint, even though this service exists. He steadfastly refused to log a complaint or transfer him to a manager. He said he wouldn't allow him to speak to a manager about the fraud until he'd sorted out his arrears.

He lacked empathy and sympathy.

Mr D disclosed he was suffering from a potentially life threatening illness and worked when he could. The agent showed no sympathy or empathy. He continued to press him for details of when and how much he would pay.

He didn't respond to signs of financial hardship.

There were indications Mr D was finding it difficult to make repayments. I think, the disclosure of his illness, and how it was affecting his work, was a warning sign. Either the agent missed these signs or he ignored them. He wasn't positive or sympathetic. He didn't ask Mr D if he was experiencing any financial hardship and didn't suggest a repayment plan, even though Mr D was paying for a repayment option to cover periods of financial difficulty.

I appreciate the agent was trying to explain why Mr D was in arrears and that the disputed transaction of £53 didn't affect his balance significantly. But, I think, Mr D was, potentially, a vulnerable customer because of his illness and so he should've been more sensitive to his situation. Also, I think he should've asked whether he was experiencing financial difficulties and discussed repayment options instead of pressing him for a payment.

For these reasons, I agree with our adjudicator that Vanquis should pay Mr D £250 in compensation for the distress and inconvenience it caused him.

my final decision

My final decision is that I am partially upholding Mr D's complaint and I'm asking Vanquis Bank Limited to pay him £250 compensation for the distress and inconvenience it caused him.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr D to accept or reject my decision before 6 October 2016.

Razia Karim
ombudsman