

complaint

Miss T complains that Vanquis Bank Limited kept harassing her for payment on her credit card account after she'd activated her repayment option plan (ROP). This should've frozen the account for six months.

background

Vanquis said it activated the repayment option plan at the beginning of June 2015 when it received proof Miss T had been made redundant. It backdated interest and charges for three months and paid a refund into her account. It removed any adverse information for the relevant period from her credit record.

The adjudicator recommended that Miss T's complaint should be upheld. She could see Vanquis had made a note on 20 April to pend the account to allow Miss T to send in the ROP documentation. But two letters were sent almost immediately afterwards demanding payment.

Vanquis didn't agree with this recommendation. It said that due to the length of time between Miss T asking for the ROP to be activated and the receipt of the necessary documents it would've been irresponsible not to send any letters to keep her updated. Pending an account only stops phone calls being made. It doesn't stop collections activity.

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 accept, as did the adjudicator, that Vanquis was entitled to keep Miss T informed of her account status. But it had told her that the account would be pended for 30 days while she sent it the necessary documentation. During the 30 days it sent her letters chasing her for payment. I appreciate Vanquis said that pending an account doesn't stop those letters being sent. But I don't think that was made clear to Miss T during the phone call. So I think Vanquis should pay her £100 compensation for the distress it's caused her.

my final decision

My decision is that I uphold this complaint. I require Vanquis Bank Limited to pay Miss T £100 in full and final settlement for the distress it's caused her.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss T to accept or reject my decision before 3 May 2016.

Linda Freestone
ombudsman