

## **complaint**

Mr G complained about difficulties he had in closing his credit card account with Vanquis Bank Limited.

## **background**

In April 2013, Mr G and Vanquis agreed that he would pay the outstanding balance of £1,365.69, and the bank would refund the remaining balance the next month and close the account. Mr G made his payment, but the bank didn't make the refund, leaving £10.46 outstanding on his account.

The bank incorrectly added interest and charges, and warned Mr G of the possible consequences of having failed to make the minimum payment to his account.

Mr G complained to Vanquis in June, and the bank again agreed to refund the balance and close the account. Again, the bank didn't clear the account. It reduced the balance to £1 but this stayed on the account until October 2013. In November, the bank sent Mr G a statement showing a nil balance, but it didn't confirm to Mr G that the account was closed. Mr G complained again to Vanquis, and to this service when he didn't receive a reply.

After this service became involved, Vanquis apologised to Mr G for not closing his account on two occasions. It told our adjudicator that on the first occasion, the refund wasn't processed by its agent, and on the second occasion there had been a system problem. Vanquis offered Mr G £35 compensation, but Mr G wasn't satisfied and didn't accept this. He also said that Vanquis' letter had gone to his old address, where it had been opened by the new tenant.

Our adjudicator noted that Vanquis' original error happened in April 2013, and the bank had the chance to correct it when Mr G complained in June 2013. But she found that it was only after this service became involved in 2014 that the bank put it in writing that Mr G's account had been closed. The adjudicator considered £100 compensation was appropriate. Vanquis didn't agree, saying its offer of £35 was enough. It said it hadn't been notified of Mr G's new address in early 2014, and Mr G's account had been closed in October 2013.

## **my findings**

I have considered all the available evidence and arguments to decide what is fair and reasonable in the circumstances of this complaint.

Vanquis made several mistakes on Mr G's account. It didn't credit the amount agreed and then close the account in April 2013, and this led to statements chasing Mr G for money he didn't owe. Vanquis had another opportunity to put things right when Mr G complained again in June, but again failed to do so. I've also taken into account the fact that it was only when this service became involved that the bank finally wrote to confirm that Mr G's account had been closed. Although that letter said the account had been closed in October, it hadn't told Mr G that before March 2014. That's nearly a year from the original mistake.

Looking at the question of Mr G's address, there is a difference of opinion about whether or not Mr G notified Vanquis in early 2014. By this time, Mr G was understandably irritated by Vanquis' failure to end the banking relationship, and Vanquis considered it had already closed his account. It's difficult to determine whose fault it was that one letter went to the

wrong place. But I don't consider the address issue during 2014 is the key issue in Mr G's complaint, or that it caused him significant distress or inconvenience. The key issue is the bank's repeated failure to close Mr G's account.

Mr G didn't suffer any financial loss as a result of Vanquis' errors and delay, because the bank did cancel the interest and charges it had wrongly added. But I have considered the frustration and inconvenience resulting from the bank's year-long delay, and repeated failures to sort things out. I find that an appropriate figure for compensation is £100.

### **my final decision**

My final decision is that I order Vanquis Bank Limited to pay Mr G £100 compensation for frustration and inconvenience caused by repeated failure to close his account.

Under the rules of the Financial Ombudsman Service, I am required to ask Mr G to accept or reject my decision before 12 December 2014.

Belinda Knight  
**ombudsman**