

Complaint

Miss M complains that Vanquis Bank Limited didn't change her address after she moved abroad. Miss M also complains that her credit card account was defaulted after she had difficulties receiving statements and making payments.

Background

Miss M opened a Vanquis credit card in 2013. In 2015 she moved abroad. Miss M says she had trouble making payments to her credit card from abroad. Miss M says she had to transfer funds from a foreign account into her UK current account which meant she had to pay fees each time.

In September 2016 Miss M spoke with Vanquis and asked it to stop sending statements to the address it had on file for her. Vanquis told Miss M she could amend her correspondence choice online so statements would be sent over the internet. Miss M has told us that Vanquis continued to write to her at the address it had registered.

Payments weren't maintained so the Vanquis moved to default the account in February 2017 and reported that to the credit reference agencies.

Miss M complained to Vanquis and it responded on 22 November 2018. Vanquis agreed it should have taken a forwarding address from Miss M when she called in to discuss the information being sent to her old home and sent her a cheque for £60. But Vanquis said the default had been correctly registered because payments weren't made.

Miss M referred the complaint to our service and it was passed to an investigator to look at. He upheld the complaint because he thought Vanquis has missed the chance to take a correspondence address from Miss M when she called about her account. But he thought the decision to default the credit card was reasonable and didn't ask Vanquis to cover Miss M's costs for making payments whilst abroad. Vanquis agreed to pay a total of £250 to resolve Miss M's complaint but she asked to appeal so her case has been passed to me to make a 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.

Miss M says that she had to pay fees for transferring money to the UK in order to pay her credit card bill each month. She's explained that other businesses made it easier for her to make payments.

I understand Miss M's point and that Vanquis may have offered fewer options than other businesses for customers living abroad. But, Vanquis is free to decide how it accepts payments. And whilst I understand Miss M had moved abroad, she still had to make the monthly credit card payment in line with the terms. I've listened to calls Miss M had with Vanquis when payment methods were discussed. In November 2015 Vanquis gave Miss M details of how to make a payment from an international account. Whilst I accept that making payments from abroad may have come with a cost attached, I don't think it would be fair to tell Vanquis to refund them.

Miss M has explained that she wasn't receiving statements and she no longer resided at the address Vanquis had on file. I agree that several chances to take a forwarding or correspondence address for statements and important information were missed. But I have to balance that against the November 2016 call I've listened to. During that call the advisor explained that Miss M could switch to receiving bank statements online. Vanquis says that Miss M's statements were also sent to her online. So whilst I agree that the address details should have been checked and changed, statements do appear to have been available to Miss M.

I've considered Vanquis' decision to default Miss M's credit card and I'm satisfied it was fair. Unfortunately, several payments hadn't been made. The account terms allow Vanquis to default the credit card in those circumstances. I know Miss M had some problems making payments whilst abroad but she still needed to ensure they were made. And there were options available to Miss M to do that.

Miss M says two of the credit reference agencies record her account as in default but another says it's just closed and settled. Vanquis has sent us evidence of the information it reports to the credit reference agency and I can see it says Miss M's account defaulted in February 2017. I don't know why one of the credit reference agencies hasn't reported that, but I'm satisfied Vanquis has provided the right information.

I'm sorry to disappoint Miss M but I haven't found that Vanquis unfairly applied a default to her credit card. I also haven't found anything to show Vanquis made a mistake when reporting information about Miss M's credit card to the credit reference agencies. I do agree that Vanquis should have stopped corresponding with Miss M at the registered address after she notified it she was no longer a resident there. Vanquis has agreed to pay a total of £250. I think that fairly reflects the impact of Vanquis' error so I'm going to uphold Miss M's complaint.

My final decision

My decision is that I uphold this complaint and direct Vanquis Bank Limited to pay Miss M a total of £250 less any compensation already paid.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss M to accept or reject my decision before 3 March 2020.

Marco Manente
Ombudsman