

complaint

Mr K complained because Vanquis Bank Limited wouldn't let him take money out of his fixed rate bond.

background

Mr K took out a five year fixed rate bond with Vanquis at the start of February 2016. At the end of February, he told Vanquis he wanted to close it, because he wanted to buy a property. Vanquis wouldn't let him. It said the terms and conditions said early withdrawals were only allowed on death, bankruptcy, or exceptional circumstances at the bank's discretion. Vanquis told Mr K that it would review its refusal, if Mr K provided documentation showing financial hardship, or what his reasons were for moving home – for example if he'd had an urgent need to move home.

Mr K complained to this service. He said he wouldn't have put his money in this type of account if he'd known at the outset. He also replied to Vanquis, saying he needed the money to install a wet room in his new home, because he had a disability. Vanquis said it would reconsider, if Mr K sent them the last three months of his bank statements, and other documents such as grant applications.

The adjudicator said she couldn't uphold Mr K's complaint, because Vanquis was acting in line with the terms and conditions of the account. It could request evidence it reasonably required, before agreeing to early release of funds. As the decision was at Vanquis's discretion, the adjudicator couldn't say that Vanquis had done anything wrong.

Mr K sent Vanquis his bank statements, but after Vanquis looked at them, it asked Mr K for more information.

Mr K wasn't happy with the adjudicator's decision. He said that at things were desperate and without Vanquis releasing his bond, he might have to take out a loan to pay his solicitor, electrician and joiner.

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 K has told us that he didn't read the terms and conditions of his account. I can understand that it must have been a shock to him when he did find out that his money was tied up for five years, especially because moving home is expensive. And he wanted alterations relating to his disability.

But Mr K did sign the application accepting the terms and conditions. And they say *"Until your account matures, withdrawals will only be permitted: (a) on your death, if you are a sole account holder; or (b) on your bankruptcy; or (c) in other exceptional circumstances at our discretion. We may request such evidence of death, bankruptcy or exceptional circumstances as we may reasonably require before permitting any such withdrawal prior to maturity of your account"*.

So I can't find that Vanquis was wrong to ask for evidence about exceptional circumstances before making a decision about whether or not to exercise its discretion. And the first reason

Mr K gave - that he wanted to buy a property – didn't meet its criteria for exceptional circumstances.

From the emails I've seen, it's still possible that if Mr K provides Vanquis with more supporting evidence about his disability, his need for a wet room and his financial situation, Vanquis might decide to exercise its discretion. But it's up to Vanquis to decide that, and I can't find that Vanquis has done anything wrong.

my final decision

My final decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr K to accept or reject my decision before 18 July 2016.

Belinda Knight
ombudsman