

complaint

Mr D says Vanquis Bank Limited failed to update his address on its system, despite him making two such requests. Mr D complains about Vanquis' treatment of him as he tried to obtain a new card and to maintain payments that fell due.

background

I've attached my provisional decision from July 2015, which sets out the background to the case and forms part of this final decision.

In my provisional decision I set out why I was planning to uphold only part of Mr D's complaint. I asked both Mr D and Vanquis Bank Limited to let me have any more information by 1 September 2015. Mr D didn't have anything further to add. Vanquis made representations in its letter of 13 August, and has subsequently clarified parts of this with our adjudicator.

my findings

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

I indicated in my provisional decision that I intended to uphold Mr D's complaint for the service and related payment difficulties he experienced between 22 September and about 18 November 2014.

I've considered all of the points made by Vanquis in its letter of 13 August and it doesn't change my overall view. These are the reasons why:

Vanquis has produced a log of calls which it says shows its attempts to reach Mr D to *"resolve any issues, change the address and bring the account up to date after asking the appropriate security questions"*. But the first call from Vanquis was only attempted on 15 October, some 22 days after Mr D sent his first email. And I've set out in detail and with reasons already, why I think the variety of emails sent by Vanquis in the period prior to then fell short of the communication a customer in Mr D's particular circumstances could expect. The call of 15 October appears in the Collections Department's call log. It's clear from their notes they weren't aware on 15 October of any of Mr D's issues, still less was that department actively responding to them. And as I mentioned in my provisional decision, I can understand why by that stage that Mr D was unreceptive to those calls at first.

I've noted Vanquis attempted further telephone contact consistently with Mr D in the second half of October and the first half of November. Although Mr D appears not to have taken some of the calls, it is clear he did co-operate in the updating of his address at the end of October – the Collection Notes bear this out. And it is important to remember the basis upon which I think the complaint should be upheld until 18 November: because of service *and related payment difficulties*. Had Vanquis actively responded to the issues raised in his 22 September email, it's more likely than not that Mr D's address would've been updated and his statement sent to his correct address in October. As it turned out, this didn't happen until the statement of 16 November, which I would expect to have been received by Mr D on 17 or 18 November. This provided Mr D – as a customer who didn't have the lost card number and was telling Vanquis loudly of that fact – with the widest means of making payment *other* than online, and without needing a new card. I've looked again at Vanquis'

letter of 4 November and it didn't provide the available options in any detail. It focused on the fact that the agents who had rung Mr D would've been able to process a payment from him.

For these reasons, I think it is fair that compensation of £100 should be paid for inconvenience, but only for the limited period of time I've mentioned.

Vanquis has also made some points about the application of and subsequent refund of late payment charges applied in *November*. But the late payment charge applied on 14 December hasn't been refunded. And for the reasons set out in my provisional decision, I think it's fair and reasonable that it should be. So my decision is also unchanged in this respect.

Finally, Vanquis has told this Service, and we in turn have told Mr D, that his account will be defaulted and the default will be recorded on his credit file because he hasn't made any payments since December 2014. I've explained why I think the credit file markers for the late payments in October, November and December *should* be amended. But I find that Mr D hasn't made payments since December 2014 for reasons of his own, and not because of anything Vanquis did wrong. So I haven't seen anything to make me think it is unfair or unreasonable for late payment markers to be recorded on his file since January 2015 and his account to be defaulted (provided the correct default notice has been sent and the deadline has passed without further payment being made).

my final decision

My final decision is that Vanquis Bank Limited should pay Mr D compensation of £100 and refund the late payment fee of £29.55 with interest. It should also arrange for the late payment markers for October, November and December 2014 to be removed from Mr D's credit file.

Under the rules of the Financial Ombudsman Service, I am required to ask Mr D to accept or reject my decision before 26 October 2015

Alison Miller-Varey
ombudsman

Copy of Provisional Decision

complaint

Mr D says Vanquis Bank Limited failed to update his address on its system, despite him making two such requests. Mr D complains about Vanquis' treatment of him as he tried to obtain a new card and to maintain payments that fell due.

background

Mr D moved house in May 2014. He says he told Vanquis of this at the time, and on another occasion before September 2014. On 14 September 2014 Mr D's card was lost. He reported this to Vanquis. As it then had no record of his change of address, Vanquis told Mr D he would need to do this via the customer services phone line, before a new card could be issued.

Mr D attempted to change his address by phone on 15 September but wasn't successful. From that date until 16 October Mr D regularly emailed Vanquis via Vanquis' "contact us" email address. He set out: his difficulties with the customer services line, his wish to update his address via email, his difficulties in making payment without the card number and general complaints about Vanquis' service.

Mr D didn't make the minimum payment due in October 2014, he says as a result of not having the number of the card he'd lost which he needed to make the payment online. Mr D's address was successfully updated on Vanquis' system on 31 October 2014. Mr D heard back from Vanquis in response to his emails by letters dated 4 and 28 November.

Mr D resumed making payments in November, in accordance with a match-pay agreement offered by Vanquis at the end of October. Mr D went on to make the payment due in December but he hasn't paid anything further since then.

Our adjudicator didn't uphold the first aspect of Mr D's complaint because he felt that there was insufficient evidence that Mr D told Vanquis about his change of address *before* he reported his card as stolen. And our adjudicator thought Mr D could've kept paying what was due using alternative payment methods, as detailed on the reverse of statements and set out in Vanquis' emails and letters to him.

Mr D disagreed with the adjudicator's assessment so this complaint has been passed to me for a decision.

my provisional findings

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

I agree with the adjudicator's assessment regarding Mr D's earlier attempts to update his address. The call notes from Vanquis are printed and in date and time order. They're clearly a report generated from computerised records. There is no reference to any call from Mr D regarding a change of address. I accept it's possible that call notes may, through human error, not represent all contact with a customer but there is no record of either call. So looking at everything together, there's simply not enough evidence for me to say that Vanquis failed to act on Mr D's instructions and update his address.

I am planning to uphold Mr D's complaint regarding the service and related payment difficulties he experienced, but for the period between 22 September and about 18 November 2014 *only*.

That's because:-

- Having looked closely at his initial email to Vanquis, I accept Mr D genuinely felt in a circular situation as a result of the call he'd made to Vanquis on 15 September 2014. He wanted a new card but hadn't been able to order one via the customer services telephone line. I see there is a potential conflict in Mr D's evidence over whether he then failed security or was kept on hold for a substantial time only to be re-diverted. I don't think much turns on this though. He came away believing he would need to use a different means to achieve what he wanted.
- Mr D therefore used the "contact us" email. Although the first reply gave the customer services telephone number, Mr D was thanked for his enquiry. And he'd had to provide all his contact details – including his phone number. So I think, in his circumstances and at this stage, he could reasonably expect to hear from Vanquis, whether by email or phone. Especially when Mr D's email wasn't simply a request to change his address but, I think, a clear complaint about the service he'd received during his earlier phone call.
- In the email thread that followed with the "contact us" address, Mr D received a number of standard-type replies of different kinds. However, the replies weren't completely automated in the sense they followed instantaneously – they were in nearly all cases a couple of days later. They weren't also all the same – suggesting that a person was reading Mr D's emails and picking what they thought was an appropriate reply, perhaps from a stock of standard responses. I have thought about the fact Vanquis said in their reply on 29 September that *"for security purposes we are unable to respond to account specific enquiries via email"*. But that policy wouldn't have stopped Vanquis from responding to Mr D's email by phone, using all the usual security checks then available to them. And I've noticed that when ultimately Mr D's address was updated on 31 October, this was as a result of a phone call initiated by Vanquis. I've also noticed that on 23 October, Vanquis using its "resolve" email address, did email Mr D of its own motion regarding his missed payment.
- Mr D made an attempt to make a payment online on 8 October (as documented in his email of that date) but was unable to do so because he didn't have the lost card number. The other payment mechanisms identified on the email replies from Vanquis required a giro slip (which he wouldn't have had because his statements were going to his old address still at this point) or the credit card number. So I disagree with our adjudicator that at this point Mr D could reasonably have avoided missing the payment. And I can understand why Mr D was initially un-co-operative when he received calls chasing payment in the second half of October, and first wanted resolution of the issues raised in his emails. It no doubt seemed to Mr D that Vanquis *could* email and speak to him once he'd missed payments, but not when Vanquis could've helped him to avoid that.
- On 30 October Vanquis phoned Mr D and as a result, his address was successfully updated on Vanquis' system the following day. As well, Vanquis offered him a match-pay agreement by which Vanquis would refund him an amount greater than the charges arising from the missed October payment, if Mr D would make an equal payment of £29.55. So at that point Mr D had resolved issues around his address and security clearance, and Vanquis had gone *some* way to acknowledging the difficulties he'd experienced.
- And on 4 November 2014 Vanquis also sent a personal reply in writing to Mr D in the form of a letter. This gave clear reasons for why it was "unable to enter into email correspondence regarding an account", and explained fully the limitations on online banking Mr D could expect pending a new card being issued. Even since this letter – in February and March of this year – Mr D has persisted in trying to deal with account specific queries by email. And I can't see that he has ever attempted to use the customer services phone line or raise issues via the other "0345" telephone number referred to in the November correspondence. That's why I think Mr D's complaint about trouble and upset should be upheld for a limited period only.
- All statements from and including the statement of 16 November 2014 were sent to Mr D's updated address. So, despite not having a new card, Mr D could've made payments – including by, for example, using a giroslip – in order to comply with his contractual obligations.

And I find that, as Mr D told our adjudicator in May 2015, the key reason he didn't then comply was because he was unable to do so online and Mr D regarded it as too costly to contact Vanquis by phone. They're not matters for which Vanquis is at fault, and there were other payment mechanism to these in any case.

- It follows I find Mr D's decision not to make any payments since December 2014, and the associated charges and interest *haven't* been incurred because of anything Vanquis did wrong.

fair compensation

Mr D incurred two late payment charges for not making his minimum monthly payments by 9 October and 10 November. But he didn't lose out as a result of this because Vanquis refunded him £29.55 as a result of a match pay agreement. However, Mr D's credit file is likely to have been affected with late payment markers appearing and these should be amended.

I've also noticed that another late payment charge was applied to Mr D's account on 14 December. This appears to be because the November statement – sent to the updated address – said Mr D had to pay £32.90 by 11 December and Mr D only paid £29.55. This does appear to be an error related to the match pay agreement he'd been offered on 30 October. He made payment for this over the phone on 26 November. But there isn't anything on the call notes from that day that show the advisor mentioned or discussed the potential shortfall that would arise. So I can see that Mr D may have been under the impression he'd done all that was needed to bring his account up to date. So I think that Vanquis should likewise refund this late payment charge and associated interest to Mr D, and also amend the credit file marker.

Mr D suffered some frustration and inconvenience over the specific period I've talked about, because of Vanquis' actions. I think fair and reasonable compensation for this is £100.

my provisional decision

For the reasons set out above, I intend to uphold Mr D's complaint.

I propose that Vanquis Bank Limited should pay Mr D compensation in line with the instructions set out above.

Alison Miller-Varey
ombudsman