

## **complaint**

Mrs L requested a freeze on her credit card account as the interest rate was due to increase. She thought this would mean no interest would be charged on her account. However, she was charged interest and feels she has been misled by Vanquis Bank Limited. Mrs L also complains about the high interest rate applied to her account.

## **background**

Mrs L had a credit card with Vanquis. When the annual percentage rate increased by over 14%, Mrs L told the bank she planned to close the account. She says she thought interest would be suspended. However, Vanquis continued to add interest. Mrs L made monthly payments and thought she was paying off the balance. However, she was just paying off the interest. She therefore stopped paying any money as she believed the interest rate was very high. Mrs L then said she received a letter from a debt collector demanding immediate payment. Mrs L has offered to pay back the debt by a small monthly payment.

The adjudicator listened to Mrs L's call to Vanquis where it agreed to freeze her account.

The bank told her the interest rate would remain the same. The adjudicator therefore concluded that Mrs L was not misguided by the bank. Further, her statements showed there was an outstanding debt so it was not wrong for a debt collection agency to pursue the debt.

She found the bank had done nothing substantially wrong so did not recommend Mrs L's complaint should be upheld.

Mrs L disagreed with this and, in summary, said that Vanquis ignored her enquiries, pursued her with final demands, misled her and charged an exorbitant amount of interest.

As Vanquis has now passed Ms L's account to a debt collection agency it says that Mrs L should deal with the debt agency regarding a repayment plan.

## **my findings**

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

I have listened to the call that took place in March 2013 between Vanquis and Mrs L. I am satisfied that Vanquis told Mrs L her account would be frozen, but the interest would remain the same. Further, Vanquis wrote to Mrs L, in March. It gave her 60 days' notice of the interest rate rise. It also told her if she did not accept the change she should write to it and her account would be frozen on the current interest rate. Taking all this information into account, I therefore find the bank told Mrs L interest would remain the same and not that no interest would be applied to her account. I find Vanquis complied with the Lending Code when dealing with the interest rate rise.

Mrs L stopped making minimum payments in breach of her agreement with Vanquis. The monthly credit card statements made it clear that she had failed to make the minimum payments and it passed her account to a debt collection agency. I can understand that Mrs L found this distressing. But I find that it was not unreasonable for the bank to do this. I urge Mrs L now to engage with the debt collection agency to discuss payment of the debt. If she

is in financial difficulty, she should let the debt collection agency know, as it is required to respond sympathetically and positively to a consumer in financial hardship.

**my final decision**

My decision is that I do not uphold this complaint.

Clare Hockney  
**ombudsman**