

complaint

Mrs V complains that Vanquis Bank Limited increased the interest rate on her credit card in 2009 and has said her credit score does not warrant a reduction, even though it had offered to increase her credit limit. She would like a refund of the extra interest.

our initial conclusions

The adjudicator did not recommend that the complaint was upheld. She said that the terms of the account gave Vanquis the right to vary the interest rate. It had given Mrs V proper notice of its intention to increase it. Mrs V had had the option to close the account, without paying extra interest, up to sixty days from the notice. She had not opted to do that, and only contacted it in 2012. Mrs V asked for a review. She said she had contacted Vanquis numerous times since 2009, to be told it would consider rate decreases from time to time. She reiterated her previous point about being offered credit limit increases because of her good account management and score, but that had not helped her get an interest rate decrease. She felt that was unfair.

my final decision

To decide what is fair and reasonable in this complaint, I have considered everything that Mrs V and the business have provided.

I understand what Mrs V says about being offered an increased credit limit but not a decrease in interest rate, but it is not unreasonable for Vanquis to have different criteria for each of those. If Mrs V's financial situation and credit rating mean that she would be eligible for a credit card account elsewhere at a lower interest rate and could transfer the balance, then it is open to her to move her account. If not, then it appears that the Vanquis account may be the best available to her within the market. In all the circumstances I am not in a position to ask Vanquis to alter the rate or pay her a refund of interest.

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

Under the rules of the Financial Ombudsman Service, I am required to ask Mrs V either to accept or reject my decision before 2 July 2013.

Hilary Bainbridge

ombudsman at the Financial Ombudsman Service

The ombudsman may complete this section where appropriate – adding comments or further explanations of particular relevance to the case.

ombudsman notes

what is a final decision?

- A final decision by an ombudsman is our last word on a complaint. We send the final decision at the same time to both sides – the consumer and the financial business.
- Our complaints process involves various stages. It gives both parties to the complaint the opportunity to tell us their side of the story, provide further information, and disagree with our earlier findings – before the ombudsman reviews the case and makes a final decision.
- A final decision is the end of our complaints process. This means the ombudsman will not be able to deal with any further correspondence about the merits of the complaint.

what happens next?

- A final decision only becomes legally binding on the financial business if the consumer accepts it. To do this, the consumer should sign and date the acceptance card we send with the final decision – and return it to us before the date set out in the decision.
- If the consumer accepts a final decision before the date set out in the decision we will tell the financial business – it will then have to comply promptly with any instructions set out by the ombudsman in the decision.
- If the consumer does not accept a final decision before the date set out in the decision, neither side will be legally bound by it.