

### **complaint**

Mr Z complains that Vanquis Bank Limited refused him a payment holiday under its repayment option plan (ROP) although he had complied with all the conditions to be eligible. He would like to be put in the same position as if the payment holiday had been activated when he asked for it.

### **our initial conclusions**

The adjudicator upheld the complaint. He thought Mr Z had done everything required for a payment holiday. Vanquis said he wasn't eligible because there was a pending direct debit payment, but he didn't think that was a good reason to deny Mr Z the benefit of the plan he had been paying for. He asked the bank to rework the account as if the payment holiday had been given, remove any adverse entries on Mr Z's credit file and pay him £100 for distress and inconvenience. Vanquis still says Mr Z wasn't eligible for a payment holiday.

### **my final decision**

To decide what is fair and reasonable in this complaint, I have considered everything that Mr Z and Vanquis have provided. I agree with the adjudicator and for the same reasons. Vanquis hasn't shown any reason why the fact that there was a direct debit pending should affect entitlement to a payment holiday. If this was the case, it would mean that anyone using direct debit to pay for their credit card, couldn't ask for a payment holiday. But this is an important reason why many people decide to pay extra for the ROP. Vanquis says it did give Mr Z a lifeline which is similar to a payment holiday. But as the adjudicator says, this only postponed the payment for a month so was of limited use to Mr Z. Vanquis did offer to refund interest and charges as long as Mr Z made a further payment into the account. But I agree with the adjudicator that the refusal to give Mr Z a payment holiday did have a long term effect on his ability to manage his credit card debt, so it is fair and reasonable to expect that he should be put in the same position as if Vanquis had allowed him a payment holiday when he first asked for it in September 2013.

**My final decision is that I uphold the complaint as set out more fully below.**

**Under the rules of the Financial Ombudsman Service, I am required to ask Mr Z either to accept or reject my decision before 3 July 2014.**

***Melanie McDonald***

*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**

In settlement I order that Vanquis Bank Limited should rework Mr Z's account as if he had been given a payment holiday in September 2013, remove any adverse entries from his credit file resulting from the refusal to allow a payment holiday and pay him £100 for distress and inconvenience.

#### **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.