

complaint

Ms E complains that Vanquis Bank Limited took payments from her account for a repayment option plan (ROP) and billed deferred finance charges.

background

Ms E took out a credit card with Vanquis early 2013. The business made a welcome call on 11 March and during this Ms E agreed to take out the ROP. In September Ms E wrote to the business to complain about the ROP charges and about the billed deferred finance charge. The business explained that she had agreed to take out the ROP. It also said that it had changed how it showed the interest due on its statements and split it into two amounts. One showed the interest due on transactions from the date of the transaction. Where there was a transaction which occurs after the cut off date for the statement, these new transactions appear on the next statement, however, the interest is deferred until the statement after that and will appear as billed deferred finance charge.

Ms E remained unhappy with the bank's response and brought the matter to this service. It was investigated by an adjudicator who didn't recommend that the complaint be upheld. She listened to the call in which Ms E had agreed to take out the ROP and didn't conclude that it had been mis-sold. She said the call handler had explained it was an optional feature of the credit card and the benefits and cost of the plan were also explained. They also confirmed that the ROP can be cancelled at any time by calling customer services. Further information on the plan was included in the terms and conditions that came in the welcome pack sent with Ms E's card. She also considered that the deferred interest had been correctly charged.

Ms E didn't agree and said that English wasn't her first language and the call had been early in the morning when she wasn't awake so she hadn't fully understood what she was agreeing to.

my findings

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

I can understand why Ms E queried the apparently new charges shown on her statement as billed deferred interest charges. I am satisfied that Vanquis has not changed the charges it makes, but has itemised them into two separate parts. Vanquis has continued to charge interest in line with the agreed terms and conditions and so I don't think it has done anything wrong in this matter.

I have listened to the call when Ms E agreed to take out the ROP. I accept that she struggled to understand all that was being said to her. However, she did ask for things to be repeated so she could understand, for example she asked the call handler to repeat what he had said about setting up a direct debit. She initially refused to take the ROP option, but when she was asked why she didn't want it she changed her mind. The call handler explained the terms and conditions of the ROP and these were also set out in the welcome pack she received. The ROP charges were also set out in her monthly statements. Under the circumstances I cannot safely conclude that the bank did anything wrong. It explained what ROP offered and what it would cost during the phone call and again in the welcome pack.

I appreciate that Ms E will find my decision disappointing but I cannot uphold her complaint.

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 Ms E to accept or reject my decision before 5 May 2016.

Ivor Graham
ombudsman