

complaint

Mr W complains about the interest rate on his credit card account with Vanquis Bank Limited. He says the rate is much higher than he agreed to or expected, and Vanquis never confirmed it in writing.

background

Mr W opened a credit card account with Vanquis in 2015. During a phone call in 2018, Mr W says a member of the bank's staff mentioned an annual percentage rate (APR) of 59.94% on the card. He complained. He said this was the first he'd heard of such a high rate, and he would never have agreed to take the card if he'd known about it.

Vanquis said this was the rate Mr W had agreed to in 2015, when he opened the account. It also said it had told him about the rate in a phone call it had with him at the time, as well as in the terms and conditions it sent with the card. It thought it had charged Mr W correctly.

Mr W got in touch with us. Our investigator didn't think Vanquis had done anything wrong. She found that Mr W had agreed to the rate and it hadn't increased since 2015.

Mr W asked for his complaint to be reviewed. He provided a copy of the welcome letter he'd received when he opened the account, and said he didn't think Vanquis had been clear with him about the interest rate he'd have to pay. He also said his balance had increased significantly since he first complained, and this matter is affecting his health.

my findings

I've considered all the available evidence and arguments – including Mr W's letter to us dated 16 August 2019 – to decide what's fair and reasonable in the circumstances of this complaint.

It's clear that Mr W feels strongly about this matter. But, while I realise he'll be very disappointed, I have reached the same overall conclusion as the investigator did, for much the same reasons.

I've listened to the recording Vanquis has provided of its phone call with Mr W when the account was opened. It told him the rates applicable to his new card. Mr W has had the opportunity to listen to the recording as well, and I agree with what he's said about the staff member talking quickly. I nevertheless think the rates were made clear. There was also a recorded message at the end of the call explaining that more details of the interest rate and important account information would be sent to Mr W in his welcome pack.

Mr W has provided a copy of the welcome letter he received. At the top, it set out the *monthly* interest rates for purchases and cash/cheques. That is different from the annual rate. The account terms and conditions set out the annual rate, how the APR is worked out, and how and when interest will be charged.

I have also looked at copies of Mr W's monthly statements. They show the amount of interest that has been charged each month and the estimated interest to be charged the following month. They also set out the monthly interest rates on the card balances. The rates haven't increased since the account was opened.

The letter Mr W received inviting him to apply for a card said the representative APR was 39.9% variable. But it also said that was subject to status. It wasn't a guarantee that Mr W would get a card at that rate.

I don't consider that Vanquis misled Mr W or that it was unclear about the interest rate he's been paying. It was for Vanquis to decide at what rate it was prepared to lend to Mr W, and for Mr W to decide whether to accept that offer.

For these reasons, I can't fairly require Vanquis to refund any interest or reduce the rate it has been charging Mr W.

I'm sorry to learn that Mr W has been struggling with the monthly payments on the card and that his health has been affected. I understand he has been in touch with Vanquis about this – if he's unhappy with the way he's been treated he may ask us to look into that as a separate matter.

my final decision

My final decision is that I don't uphold this complaint. I make no order or award.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr W to accept or reject my decision before 18 November 2019.

Janet Millington
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