

complaint

Ms P complains that Vanquis Bank Limited has applied unfair and illegal charges to her credit card account.

background

Ms P says Vanquis has applied a number of charges to her account since she opened it in 2003. She says the charges are unfair and illegal and she would like a full refund as well as interest paid on the amounts.

Vanquis says it's acted in line with the account terms and conditions. It says Ms P has been charged for making payments late and for exceeding her credit limit. Vanquis also says Ms P has been charged purchase interest on occasions again in line with the account terms and conditions.

Ms P brought her complaint to us but our investigator didn't uphold it. He thought the charges were correctly applied in line with the account terms and conditions. The investigator looked through Ms P's credit card statements and didn't think there was any evidence Vanquis had made a mistake by applying the charges. The investigator also thought the charges for late payments and exceeding the credit limit were £12, which was in line with The Office of Fair Trading guidance.

Ms P doesn't accept that view and says Vanquis's charges outweigh the actual cost to them and so are unfair and illegal. She says she's prepared to take Vanquis to court over this.

my findings

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint. Having done so I've come to the same overall view as the investigator. I realise Ms P will be disappointed by my decision.

I've looked at Vanquis's terms and conditions, which I can see that Ms P agreed to by signing the credit card agreement when the account was opened. And I'm satisfied those terms and conditions make clear that a late payment fee of £12, a fee for exceeding the credit limit and purchase interest will be applied in certain circumstances. I'm also satisfied that having looked at Ms P's credit card statements, she made late payments, exceeded the credit limit and made purchases that incurred purchase interest. So I find that Vanquis didn't make a mistake or acted unfairly by applying charges or interest in those circumstances.

I appreciate Ms P says that the fees outweigh the actual cost to Vanquis. Ms P hasn't provided any evidence of that. But I'm satisfied the fees are line with general guidance to credit card companies on these types of fees and are the same as the fees Ms P agreed to pay in certain circumstances.

I also appreciate Ms P says these charges are illegal. Ms P doesn't explain why she says that is the case. But I make clear that for the reasons I've explained I'm satisfied they are applied in line with the account terms and conditions. I can see that Ms P says she is prepared to take matters to court. I think it would be up to a court to decide if the terms and conditions are illegal in any event.

Overall as I'm satisfied Vanquis hasn't made a mistake or acted unfairly I can't order it to refund and charges or fees.

my final decision

My final decision is that I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms P to accept or reject my decision before 4 July 2019.

David Singh
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