

## **complaint**

Ms N complains that Vanquis Bank Limited has charged her interest charges on her credit card account, which she says is wrong. She says she made the scheduled payment on time. So she says it looks like she's been charged interest in advance. Ms N wants the charges refunded.

## **background**

Ms N says she's been charged interest wrongly on her credit card account, which she wants refunded. She says this happened before and Vanquis agreed to refund it to her. Ms N says this matter isn't now part of her complaint.

But Ms N says that when she discussed this interest charge, she told Vanquis that her payments had been manipulated, the dates of payments were wrong and delayed – she always paid on time. Ms N says she asked Vanquis for a written explanation of the charges and in the meantime, Ms N says she agreed with Vanquis that her account would be 'frozen' or 'suspended' – she wouldn't make any transactions and Vanquis wouldn't apply any charges.

But Ms N says despite this she was charged about £70. Ms N says the charge was made in advance – in other words on the wrong assumption that she wouldn't repay the money she owed.

Vanquis says the account hasn't defaulted and no penalty charges have been applied to the account. The initial interest charge, while correct, was refunded as a gesture of goodwill. But as Ms N elected to deem her account as suspended, she accrued interest again on her next statement because she paid the minimum payment only. It says it won't refund this amount.

The adjudicator didn't uphold the complaint. He said he didn't think Vanquis had done anything wrong. He said the interest charge was correct because Ms N didn't clear her credit card balance in full - she only made the minimum payment. So interest was charged on the outstanding balance, which appeared on her next statement, in accordance with the account terms and conditions. He couldn't see there'd been a mutual agreement to 'suspend' the account – it was Ms N's own decision to do that.

Ms N remains dissatisfied and has asked for this review.

## **my findings**

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint. Where there's a dispute about what happened, I've based my decision on what I think's most likely to have happened in light of the evidence.

I'm sorry to disappoint Ms N, but I think the adjudicator's come to the right conclusion here. And there's not much more I can usefully add to what he's already said.

While I can see Ms N's said the initial interest charge isn't part of her complaint, I think it's relevant and important to refer to it. I say this because Vanquis has a record of the phone call at the time Ms N queried this. This shows that the call handler explained how the interest charges worked to help her avoid them in the future.

It was agreed these would be refunded as a gesture of goodwill. But the records also say Ms N was told no future interest charges would be refunded. The records show the matter as being resolved at this stage.

Ms N says it was mutually agreed at this stage that her account would be 'suspended' or 'frozen' and no further charges made. But I haven't seen anything to show this. It seems to me this was a decision Ms N made herself. So when Ms N only made the minimum payment to her credit account, in accordance with the account terms and conditions, Vanquis was right to charge her interest on the outstanding balance. I'm satisfied Vanquis hasn't made an error here.

Because I find Vanquis hasn't done anything wrong, it doesn't need to do anything to put things right.

### **my final decision**

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

Under the rules of the Financial Ombudsman Service, I am required to ask Ms N to accept or reject my decision before 1 September 2015.

Paul Featherstone  
**ombudsman**