

complaint

Mr L has complained about charges Vanquis Bank Limited added to his credit card account.

background

Mr L had a credit card with Vanquis. When he called it's automated telephony service, he was told he needed to make a payment of £19.03, which he did. But it transpired that this was to put him back within his credit limit, and that he still had to make his minimum repayment of £129.85. As he didn't realise this, his account fell into arrears, and charges were added to it. As a gesture of goodwill, Vanquis refunded a late payment charge, and an over the limit charge.

Mr L has also explained that his balance continued to increase, and that there were inconsistencies in his statements.

Mr L was later sent a letter saying that if he didn't make payment, his account would be defaulted. A third party debt recoverer also sent a letter to say this had happened. As I understand it, no default has actually been recorded yet, but it is likely to be if payment isn't made.

Our adjudicator didn't recommend that the complaint should be upheld, as she felt Vanquis had acted fairly.

Mr L disagreed, and said that:

- it was unethical for a default notice to have been issued;
- his credit rating should be restored;
- he's been harassed by Vanquis;
- he's been overcharged; and
- interest should have been deferred from the date he complained to this service.

Mr L's complaint's now been passed to me for my final decision.

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 agree with the adjudicator.

I accept that the automated telephony service told Mr L he'd need to pay £19.03 immediately, which he did. But this was to get him back inside his credit limit. Vanquis had written to him to tell him the minimum monthly repayment he'd need to make was £129.85. Having received this letter, I think Mr L should reasonably have been aware that the £19.03 was a separate sum. When Mr L called Vanquis, the advisor explained the situation, and I can see that Mr L accepted this. However, he subsequently stopped making repayments. Because of this, charges were added to the account. I think it was reasonable of Vanquis to do that as repayments weren't being made. I'm satisfied the charges were added in line with the terms and conditions of Mr L's account. Nor do I feel that Vanquis was under any obligation to stop adding interest to the account while this service was looking at the complaint, and I'm satisfied it was added in line with the terms and conditions.

I know Mr L feels there have been inconsistencies in his statements, but I haven't seen any evidence of this.

As the required repayments weren't being made, Vanquis also wrote to Mr L to warn him that his account may be defaulted. I think this was fair, as accounts do default when repayments aren't made. As I understand it, no default has yet been recorded.

Repayments that are made, and also those that aren't, are typically recorded with credit reference agencies. This is so an accurate reflection of how a person is managing their credit can be shown. Inevitably, this has an impact on that person's credit rating. I don't think there's anything unfair about this.

I've also looked at whether Vanquis has harassed Mr L. I don't think it has. It has contacted Mr L a number of times for repayment, but it's entitled to do so as it's owed the money. I don't feel that the requests it's made have been excessive.

my final decision

For the reasons given above, it's my final decision not to uphold this complaint. I make no award against Vanquis Bank Limited.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr L to accept or reject my decision before 21 April 2016.

Elspeth Wood
ombudsman