

complaint

Mr F complains about the action Vanquis has taken on his credit card account. He says he missed a number of monthly repayments because of an error made by his bank with his direct debit. Yet he says Vanquis has continued to ask him to repay arrears and told him that it will default the account.

background

Vanquis wrote to Mr F in February 2017 explaining his bank had told it his monthly direct debit had been cancelled. Mr F made his minimum contractual repayment using his debit card later that month.

Mr F never made a payment in March 2017 but then made a number of payments with his debit card the following month. These weren't enough to bring the account up to date.

Mr F made no payments in May or June 2017. In July 2017 he agreed a repayment plan with Vanquis of £35 per month for three months. He made the first agreed payment in July but made no more after that.

Mr F told Vanquis in July 2017 that he'd missed payments because his bank made an error when transferring his direct debits to another bank account in February 2017. He told Vanquis his bank had admitted the error and that it would put everything right. He made no more payments to Vanquis after this.

Vanquis sent Mr F a default notice in November 2017 and defaulted the account in March 2018.

Our investigator didn't think Mr F's complaint should be upheld. He said he didn't think the error at Mr F's bank was the reason he had missed any of his payments so Vanquis wasn't wrong to pursue him for the debt or record the missed payments on his credit file.

Mr F disagreed with the investigator and asked for an ombudsman to look at his complaint.

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 this I agree with what the investigator said and for the same reasons.

Mr F's direct debit was cancelled in February 2017. Vanquis says Mr F's bank told it he'd cancelled this himself and it happened before the error with his direct debits. From what I've seen from Mr F's bank, it's not clear exactly when in February the error happened. So I don't know whether the direct debit was cancelled because of the bank's error or not.

I don't think it matters. Vanquis wrote to Mr F to tell him the direct debit had been cancelled in February 2017. And Mr F paid his monthly repayment via debit card later that month. So he must have known there was a problem with his direct debit.

Mr F also agreed a number of repayment plans between March and July 2017 which he occasionally kept to by making manual payments. And Vanquis sent Mr F monthly statements showing he'd made no payments in between all of this.

So, I think it's most likely Mr F knew his direct debit had been cancelled as early as February 2017, knew he wasn't making contractual payments and knew that he could make manual payments when he needed to.

With this in mind, when Mr F started missing payments from March 2017 I find it unlikely it was because of the error his bank made with his direct debit. So I don't think Vanquis was wrong to ask Mr F to clear the arrears on the account after he told it about the error in July 2017.

I can see from Vanquis's contact notes that there were times when Mr F told it he was struggling financially. But on those occasions Vanquis allowed Mr F to set up reduced repayment plans and reduced his interest rate. So I think it did enough to try to help Mr F on those occasions.

Mr F failed to keep to any of the plans. And he didn't make any more payments to Vanquis from August 2017 onwards. I don't think it's unreasonable that Vanquis eventually defaulted the account and recorded this on Mr F's credit file.

my final decision

My final decision is that I don't uphold Mr F's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr F to accept or reject my decision before 18 May 2018.

Michael Ball
ombudsman