

complaint

Mr O had a credit card account with Vanquis Bank Limited. He arranged with the bank to settle the balance owed, and to close the account.

Mr O complains that Vanquis mismanaged its communications with him, and that an overpayment was not refunded. He wants this refund to be made, and to be compensated for the stress caused to him and his family by the bank's mismanagement.

background

Mr O was in financial difficulty and agreed a payment arrangement with Vanquis in September 2013 to settle the account at £2,250, although the outstanding balance at that time was just over £3,000. In July 2014, he was mis-advised by the bank that (after his July monthly payment) the arrangement would be concluded, if he made a final payment of £94.

Mr O made this payment in August 2014, which reduced his outstanding balance to a little over £1,800. As a goodwill gesture, Vanquis agreed to refund this payment, and to settle the account at the resulting balance of £1,730. However, Mr O said:

- He did not receive the refund cheque, which Vanquis said it had posted to him
- But he did continue to receive statements in subsequent months, including demands to make further payments
- He also received phone calls from the bank, which he considered to be threatening
- The bank's poor communications and mismanagement caused additional stress to his family

Mr O initially complained to Vanquis, and referred his complaint to us in October 2014. He told us that he was seeking £15,000 in compensation from the bank, because of the stress it had caused. He said this stress had resulted in a family member contracting a (stress-related) physical illness.

Vanquis told us that it did not consider further compensation to be appropriate. But the bank agreed to resend the refund (which Mr O received in January 2015).

Our adjudicator did not think the complaint should be upheld. She listened to recordings of the phone calls about which Mr O complained, but did not consider them to be threatening. She added that (on balance) she was satisfied that Vanquis had posted the refund, and said that it could not be held responsible for problems with the postal service. She also noted the bank had assisted by settling the account in 2014 at a lower figure than that agreed in September 2013, which she considered to be a fair and reasonable outcome.

Mr O disagreed with our adjudicator, and asked for his complaint to be reviewed by an ombudsman.

my findings

I have considered all the available evidence and arguments to decide what is fair and reasonable in the circumstances of this complaint. Where evidence is incomplete, inconsistent or contradictory (as some of it is here), I reach my decision on the balance of probabilities – in other words, what I consider most likely to have happened in light of the available evidence and wider circumstances.

I sympathise with Mr O and his family. However, I find that I have come to the same conclusion as our adjudicator, for similar reasons:

- On balance, I agree with Vanquis that it would be unfair to hold the bank responsible for the non-delivery of a refund cheque to Mr O, and I note that he did subsequently receive this refund
- Mr O argued, but without supporting evidence, that a family member became ill because of stress caused by Vanquis – in these circumstances, and on balance, I am unable to conclude that the bank was responsible
- I also share our adjudicator's view that the phone calls complained about were not threatening
- Acknowledging Vanquis did make errors in its dealing with Mr O, I agree as well with our adjudicator that settling the account in 2014, at £520 less than the figure agreed in September 2013, represents a reasonable outcome to this complaint

my final decision

For the reasons explained above, my final decision is that I do not uphold this complaint. Under the rules of the Financial Ombudsman Service, I am required to ask Mr O to accept or reject my decision before 8 June 2015.

Roy Mawford
ombudsman