

complaint

Mr R complains that Vanquis Bank Limited allowed some payments to be charged to his credit card after he'd cleared the balance to close his account.

background

When he complained about this, Vanquis said Mr R had set up some subscriptions with third party companies which it was up to Mr R to cancel. But as he'd not cancelled the subscriptions with the third party companies, a balance built up again on Mr R's account. Vanquis said it had suspended any further transactions being collected from the third party companies in question. But it couldn't close his account until Mr R paid the outstanding balance.

Our adjudicator felt this response was fair and reasonable. He discovered that payments charged to Mr R's card account after he'd paid off the balance were done under continuous payment authorities. He explained that a continuous payment authority can only be cancelled by the company the subscription is with. And it was Mr R's responsibility to cancel subscriptions he'd arranged to be paid for using the continuous payment process. So our adjudicator's view was that Mr R owed Vanquis the balance showing on his card statement.

Mr R feels there's nothing in Vanquis' terms and conditions to state it could allow payments to be taken after he'd closed the account. And he wasn't happy that Vanquis was continuing to apply interest and charges on his account. He's asked for an ombudsman to review what's happened, so this complaint has been passed to me.

my findings

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint. Given what's happened here, I can understand why Mr R finds this situation frustrating. But I've come to the same overall conclusions as our adjudicator. Here are the reasons why I say this.

Mr R told us he closed his account over the phone after he'd made payments to clear the balance on his card.

But I can see that the account terms and conditions say that Mr R needed to give Vanquis written notice if he wished to close his account. And that Vanquis would end its credit card agreement with him after Mr R paid all amounts owed to it under the agreement, including the amount of any transactions appearing on his account after notice had been given. Also, Mr R and any additional cardholder first had to return to Vanquis all cards and cheques cut in two.

So, as far as I can see, Mr R hadn't taken all the steps he needed to in order to close his Vanquis credit card account.

Mr R didn't take the steps necessary to cancel the continuous payment authorities set up to pay his various subscriptions. And he didn't tell Vanquis that he was giving notice of cancellation to the companies he'd subscribed to (and so Vanquis shouldn't pay them anything more) until *after* an outstanding balance had accrued on the account again.

I can't fairly and reasonably say in these circumstances that Vanquis Bank acted wrongly, unfairly or unreasonably when it allowed these payments to be charged to Mr R's credit card account. The fact that Mr R paid off the balance on his card and told Vanquis he wanted to close his account doesn't affect my view on this point.

I agree with Mr R that it doesn't say anywhere in Vanquis' terms and conditions that two months' notice is required if *he* closes the account. Vanquis gave him some wrong information on this point. But it's a minor mistake and it hasn't made any difference to Mr R's position overall. So I won't be making any award for this.

I'm pleased to see that our adjudicator has spoken to Vanquis and obtained an assurance for Mr R that some interest/charges will be refunded and his account will be closed now. I very much hope that this concludes matters satisfactorily for Mr R.

Based on the information I've seen, I find the way Vanquis has dealt with Mr R's complaint is fair and reasonable. Taking everything into account, I don't require Vanquis to do anything further.

my final decision

For these reasons, I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr R to accept or reject my decision before 9 November 2015.

Susan Webb
ombudsman