

complaint

Mr C complains that Vanquis Bank Limited won't accept a joint giro credit slip as payment for his debt.

background

Mr C has a credit card with Vanquis. Vanquis attaches bank giro credit payment slips to their credit card statements. They say this allows customers to make a payment at either a bank or a Post Office using a valid form of payment, such as cash or a cheque.

Mr C tried to use the payment slip as a payment method which the bank refused. Vanquis told him that even if it was valid, which they don't believe it is, under its terms and conditions, they won't accept it as payment. In August 2017, the bank issued a default notice against his account for the outstanding balance of £3,986.

Mr C wrote to the bank in 2015. He didn't receive a response until February 2016. In July 2017, the bank compensated Mr C £150 for the delay.

He was unhappy that Vanquis wouldn't accept the payment slip as payment. So he referred the matter to our service.

In summary, our adjudicator made the following findings:

- Mr C is not a creditor of the bank as they don't owe him money
- a payment slip isn't a valid form of payment
- Vanquis haven't done anything wrong by not informing its customers a "joint" giro credit slip is, in fact, a cheque. And it wasn't committing fraud by not telling customers this
- Vanquis didn't need to remove a default notice as this is accurate information
- £150 was fair compensation for the delays he experienced

Mr C disagreed with this view. So he asked for it to be reviewed by an ombudsman.

my findings

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint.

I agree with the adjudicator for broadly the same reasons. I'll explain why.

I can see Mr C has placed a lot of importance on the payment slip being a 'joint' giro credit slip rather than a bank giro credit slip. He believes this makes it a payment instrument under the Bill of Exchange Act 1882. I can't see any legal basis for his belief. And I don't consider the payment slip, in itself, offers any real way for the bank to get its money. I'm sorry if this isn't the news Mr C was hoping for. But if Mr C wants a definitive answer in law to the questions he raises, he will need to go to court for this.

Mr C says he, rather than Vanquis, is the creditor. There's no dispute about the outstanding balance or the fact he's benefited from the credit. So I can only conclude he is responsible for repaying the debt and isn't a creditor of the bank.

Mr C says he doesn't consider the credit card to be a loan. I feel Vanquis has done its best to explain how its credit card works. And I agree with what they've said. Mr C used his card to borrow funds. He was then required to repay the full amount, a minimum payment or another amount between these two. As he hasn't done this, I don't think Vanquis were wrong to issue a default notice.

I can see Vanquis compensated Mr C £150 for the delay in responding to his questions. I feel this is fair given he chased them several times and was clearly expecting a response.

I note Mr C says he feels our service isn't independent of the bank. I'd like to reassure him this is an informal and impartial dispute resolution service. And I've taken into account information from all sides. I've also considered the law and other relevant information when reaching my decision.

I'm sorry if this outcome wasn't what Mr C was expecting but I hope I've explained the reasons for my decision clearly.

my final decision

My final decision is I'm not upholding the complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr C to accept or reject my decision before 21 March 2018.

Yolande McLeod
ombudsman