

complaint

Ms H has complained about high interest rates charged on her credit card with Vanquis Bank Limited (Vanquis). She also complained about a Repayment Option Plan that she'd been charged for on the account.

background

Ms H has a Vanquis credit card which she's held for several years. She's recently become concerned that the balance of the account hasn't reduced as much as she expected. She discovered that most of the amount she's been paying monthly has gone on interest.

Ms H also says she had previously complained about charges levied for a Repayment Option Plan (ROP). This had been removed from her account, but she'd not received any refunds.

Vanquis looked into her complaint and sent Ms H its final response on 24 February 2017. It said Ms H had agreed to the ROP during a conversation with it on 26 July 2010, but it couldn't see that she'd been sent a welcome pack for the product. So it agreed to refund the charges for the ROP along with interest she'd paid as a result.

But Vanquis said interest was payable as set out in the terms and conditions of the account. As Ms H had been paying the minimum payment on the account the balance would take longer to repay and she'd pay more in interest.

One of our investigators looked at the complaint. He said Vanquis' offer regarding the ROP was a fair one. The refund had reduced the balance of the account to zero and Vanquis had sent Ms H a cheque for the remainder.

He felt that the interest rate applicable to the account was made clear at the time Ms H opened it and had been detailed on the statements of account sent since. He didn't think Vanquis was obliged to reduce the interest rate because Ms H felt it was too high.

Ms H accepted the offer on the ROP element of her complaint. But she said she'd been unaware that the interest rate was as high as it was because she didn't look at her statements. She said she no longer received paper statements and didn't use the online facility until recently. She says she's phoned Vanquis several times about interest rates and it hasn't reduced them.

As Ms H didn't agree with what the investigator said, the complaint has been passed to me for a 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.

In its final response, Vanquis said it felt ROP aspect of the complaint may be out of our jurisdiction due to the timescales involved. But the complaint about the ROP has been resolved. So I only need to deal with outstanding issue - the interest rate charged on the account. And that's clearly been brought within the time limits that apply in our rules.

The interest rates applicable to the account would've been available to Ms H when she opened the account. Vanquis has then kept her informed of the rate applicable through monthly statements. It's not for me to decide what level of interest Vanquis can charge – that's a matter a lender's entitled to decide for itself.

Ms H said she wasn't aware of the interest rate as she didn't receive paper statements or use the online facility until recently. But she's said she phoned Vanquis on several occasions to ask about lowering the rate, and was told that couldn't be done. So it seems to me that she was broadly aware of the rate Vanquis was charging, and continued to use the credit facility.

I appreciate Ms H will be disappointed with this outcome, but I can't fairly say that Vanquis was wrong to charge the interest rate it did.

my final decision

I don't uphold Ms H's complaint about the interest rate Vanquis Bank Limited has charged her.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms H to accept or reject my decision before 6 July 2017.

Richard Hale
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