

complaint

Mr M complains that Vanquis Bank Limited blocked his account and refused to accept payments from a debit card he had used previously. He is also unhappy that it contacted another bank about his debit card.

background

In November 2017, Mr M made a payment to his Vanquis credit card account using a debit card he had used previously. While this payment was processed, Vanquis asked him to prove the debit card belonged to him.

Mr M told Vanquis that he'd always made payments to his credit card account using this debit card. So, he didn't want to provide it with evidence that the card belonged to him. Vanquis told him that because it couldn't verify he had authority to use the card it was suspending his credit card account. So, he wouldn't be able to make further payments to his Vanquis account using this card. Vanquis also told him what would be required to verify the debit card before it would permit further use with his Vanquis account. And it said that, until he provided the information it needed, he could continue to make payments to his credit card account in alternative ways.

Mr M wasn't happy about this and, when he complained to Vanquis, he said it told him that it had contacted another bank, which I'll call "R", about the debit card he had used. Mr M said he wasn't a customer of R and Vanquis didn't have his consent to speak to R about him. So, he thought Vanquis had breached the rights he has under relevant data protection legislation in speaking to R about him. But Vanquis didn't agree with Mr M. It said it didn't think it had made a mistake when it suspended his account and requested that he prove the debit card belonged to him. It suggested it was entitled to do this based on the terms and conditions of his account and because it has an obligation to protect itself and its account holders.

When Mr M brought his complaint to us he said he wanted Vanquis to allow him to pay his credit card balance using the debit card he had used previously. And he wanted it to admit it had made a mistake. Our adjudicator looked into this and, while they empathised with Mr M, didn't think that Vanquis had done anything wrong or needed to do anything more here. But Mr M disagreed. So, this 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.

The first part of Mr M's complaint is about Vanquis' decision to suspend his account and refuse to accept further payments from the debit card he had used previously. So, I'll focus on that issue first.

I'm not persuaded that Vanquis did anything wrong either when it blocked Mr M's account from accepting payments from this debit card or when it requested proof that the debit card he had used belonged to him. It is allowed to do this under the terms and conditions of Mr M's credit card account. Mr M accepted these when he opened the account. So it is fair and reasonable it now relies on these terms and conditions given each agreed to contract on this basis. I can see Vanquis gave Mr M the opportunity to provide evidence that the card belonged to him and said once it received this it would remove the block. I think Mr M

could've easily proved the card belonged to him. I say this because Vanquis told Mr M that if he wanted to continue to use the debit card it would've accepted a redacted image of the card itself or a bank statement showing the transaction debiting his account. But, I understand that Mr M chose not to provide this proof to Vanquis. So it chose not to remove the block it had placed on his account.

Here, I think it was reasonable for Vanquis to request the information it did from Mr M. It needed to satisfy itself that the debit card belonged to Mr M and that, if it didn't belong to him, he had the authority of the account holder to use it. Mr M had only had recently opened an account with Vanquis when this problem arose and, so, he hadn't used the card much before. But even if he had used this card regularly in the past, I'm satisfied that this was still a legitimate action by Vanquis.

Vanquis had an obligation to proactively check who the card belonged to and it said it only verifies payments where it thinks it is appropriate to do so in the circumstances. As Mr M didn't provide the information Vanquis needed. In these circumstances, I don't think it acted unfairly in refusing to accept any further payments made using this card. I'm satisfied that this was most likely done in the interests of customer security, which I think was reasonable in the circumstances.

Having seen the terms and conditions of Mr M's credit card I can see they clearly state that Vanquis can refuse to process a transaction in the interests of account security and where it believes it is necessary to do so. So, here I think Vanquis acted in line with the terms of Mr M's account when it refused to process further transactions from the debit card Mr M had used previously.

I understand that Mr M has missed a lot of payments to his credit card from December 2017 onwards. I can see Vanquis refunded three charges that were incurred after the block was added, which is more than I'd have asked it to do here. I say this because the block didn't prevent Mr M from managing his account with Vanquis. And he was told he could make payments to his account in alternative ways – such as by using giro slips and bank transfer – the details of which it's given him. So, I don't think Mr M was disadvantaged by the decision. Vanquis made here. I can see our adjudicator has told Mr M that if he doesn't make the payments that are due to Vanquis his credit file may be affected,

I'll turn now to the second part of Mr M's complaint, which is about Vanquis contacting R.

I can see that our adjudicator has already explained in detail to Mr M that when Vanquis looked at the debit card details he provided to pay his credit card balance it identified the card as one that had been issued by R. A bank is able to identify which bank has issued a debit card through its payment system. Vanquis say that, at the time the payment was made, its system identified that the card Mr M had used was issued by R. So, while I understand that Mr M says he doesn't bank with R, this may explain why there's been reference to R in this case.

Having said that, I haven't seen any evidence that Vanquis contacted R or discussed personal information about Mr M with it. Vanquis said it didn't contact R either by phone, letter or email. But Mr M told our service that he has a copy of the telephone call where he says Vanquis told him it had contacted R. Because Vanquis say it doesn't have a copy of this call only Mr M can provide evidence of it. I can see that our adjudicator asked Mr M to provide a copy of the recording to us on several occasions. And I understand that Mr M won't provide it.

Where there's a disagreement about what happened, as there is here, I have to base my decision based on what I think is more likely to have happened in the circumstances, on the balance of the evidence available. I've given careful consideration to what is being said here. But based on the evidence I've seen, I think it's more likely than not, on balance, that if this discussion had taken place, Mr M would provide evidence of this to our service. I say this because it would easily contradict what Vanquis told us about what happened. And Vanquis told us that, while it was able to carry out card verification checks in the event of suspicion of fraud in 2017, R didn't take part in these checks. So, a call wouldn't have been made to it. It follows that I think it's more likely than not that Vanquis didn't contact R.

I can see that our adjudicator has already explained that it's not our role to decide whether a breach of data protection legislation has taken place. That's the role of the Information Commissioner's Office but, overall, I'm not persuaded that Vanquis has done anything wrong here.

I know this won't be the response Mr M will want and I understand he feels very strongly about the issues raised in this complaint. But for the reasons given, I don't think Vanquis made an error here. I think that it has responded to this complaint fairly and reasonably and I won't be asking it to do anymore.

my final decision

My final decision is that I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr M to accept or reject my decision before 4 April 2019.

Julie Robertson
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