

## **complaint**

Mr O complains that Vanquis Bank Limited have applied unfair charges to his credit card account.

## **background**

Mr O has a credit card account with Vanquis that he opened in June 2017.

In September that year Mr O exceeded the £150 limit on the card. This meant he was charged a £12 fee. In October 2017 the required monthly payment to the card was not received, as the direct debit was unsuccessful. This also incurred an additional £12 fee.

As no further payments were received to the card, it remained over the limit. This meant Mr O was charged a fee each month for being over his credit limit and for each missed payment.

In January 2018 the account was passed to an external debt collection agency as no further payments were received.

In March 2018 Mr O made a complaint to Vanquis as he was unhappy with the interest and charges that had been applied to the account before it was passed to the external company. He felt the charges were excessive and unaffordable as they made up a large part of the outstanding balance.

Vanquis didn't uphold Mr O's complaint as it said the charges were standard and were made clear in the terms and conditions of the credit card.

Mr O wasn't happy with Vanquis' response as he felt it was vague and still didn't think the charges were fair. He brought the complaint to this service.

Our investigator looked at all the evidence provided by both Mr O and Vanquis and didn't recommend the complaint was upheld. He found that Vanquis had applied the charges to Mr O's account in line with the terms and conditions and thought this was fair in the circumstances. Mr O didn't agree with this as he said he didn't have the information about the charges before the complaint was resolved. He asked for his complaint to be looked at 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.

Mr O currently has other complaints against Vanquis that either have been or are being considered by this service. The complaint I am deciding on here, is just about the fees and interest that have been charged on his credit card account. I therefore have only considered whether Vanquis have treated Mr O fairly in relation to the interest and charges applied to his account in this decision.

When Mr O took out a credit card with Vanquis he entered into a contract with them called a credit card agreement. This agreement is subject to terms and conditions that both Mr O and Vanquis agreed to. The credit card agreement was available online when Mr O first applied and a copy of the terms and conditions were sent to him with his credit card.

Vanquis have provided me with a copy of the agreement and the terms and conditions. They explain that interest will be charged for all transactions on the card. They also explain that there will be extra charges applied in certain circumstances. These include where a payment to the card isn't received by the agreed date and where the agreed limit is exceeded.

Once Mr O had applied online, he called Vanquis to complete his application. I've listened to this call. During the call, the call handler explained the interest rate to Mr O. He also outlined the extra charges arranging a cash advance would incur and confirmed the credit limit on the card to Mr O a number of times.

Vanquis have also provided me with the statements for Mr O's credit cards up until the point it was passed to the external debt collector. These statements were available for Mr O to view online each month. On each of the statements, the amount of interest that has been charged is outlined. Where extra fees have been charged, these have also been highlighted, with an explanation of what they are for and how to avoid them in future. Vanquis have also provided system notes to show that text message alerts were sent to Mr O each month to make him aware of the statements and how much was owed.

I'm therefore satisfied that Vanquis provided Mr O with enough information about the fees and interest both when he applied for the account and when he accrued the charges.

I've also considered whether the charges have been applied fairly. I can see that the charges applied to Mr O's account are made up of interest charges, fees for withdrawing or transferring funds from the credit card, late payment fees and over limit charges. These charges and fees are all laid out in the credit agreement and in each statement. They're also inline with what other banks charge and would be the same for all Vanquis' customers in the same position. I therefore can't say that Vanquis have treated Mr O unfairly by applying the charges, as they're in line with the terms and conditions and would be the same for all their customers.

I appreciate that a large part of the balance that Mr O now owes is made up of the charges, which may feel unfair. However the reason for this is because Mr O went over his agreed limit in September 2017 and didn't make any payments after this point. Because of this fees continued to be added to the account until it was passed to the debt collector, as detailed in his statements.

I can see that Vanquis contacted Mr O on a number of occasions to advise him that his direct debit had been unsuccessful. From what I've seen Mr O didn't provide any reason why he hadn't met the payment other than that he had forgotten and he had spent more than he expected. In January Mr O cancelled his direct debit to the card. I therefore think Vanquis tried to warn Mr O that he would be charged and that a payment needed to be made, so Mr O had the opportunity to make the payment and avoid further charges. So I am satisfied that Vanquis treated Mr O fairly when applying the charges.

For the reasons explained above I'm not able to uphold Mr O's complaint. After looking at the fees and interest that have been applied to Mr O's account, I can see that they are in line with those laid out in the credit card agreement and have been applied fairly. I can also see that this information was available for Mr O to view when he applied for the card and the terms and conditions were sent to him with his credit card. I therefore can't say that Vanquis have treated Mr O unfairly in the circumstances.

**my final decision**

For the reasons I have given, I don't uphold Mr O's complaint and don't require Vanquis Bank Limited to take any further action.

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

Sophie Goodyear  
**ombudsman**