

complaint

Mr C complains that Vanquis Bank Limited has unfairly refused to refund interest and charges applied to his credit card account between December 2009 and March 2010. He contacted Vanquis in September 2012, but the bank did not refund any money.

background

Mr C came into serious financial difficulties in December 2009. He was unable to maintain the account and the balance increased significantly. He said that he contacted Vanquis in December 2009. The bank has a note of first contact in January 2010. Mr C told the bank that he was seeking help from a debt management agency. In March 2010 Mr C gave the bank details of a Debt Management Plan ('the plan'). On 22 March 2010 a debt management agency confirmed to Vanquis that a plan was in place. Vanquis accepted the plan and suspended interest. Mr C did not keep to the plan completely and missed several payments. In September 2012 Mr C contacted the bank to ask it to refund interest and charges for the period December 2009 to March 2010 but the bank did not refund any money. Mr C then complained to this service.

The adjudicator did not recommend upholding the complaint. He said that the bank had acted reasonably and had met its obligation to act positively and sympathetically once Mr C had told it about his difficulties. Mr C did not accept the adjudicator's view. He said he needed the bank to make a refund and he requested a review by an ombudsman.

my findings

I have considered all the available evidence and arguments to decide what is fair and reasonable in the circumstances of this complaint.

Mr C has experienced financial difficulties for some time. He has listed a number of creditors and his debts to them. I can understand that this must be a concern for him. I can see his contact with the bank noted in the bank's records and the later discussions over the payment plan. Mr C says he first contacted the bank in December 2009, but has not substantiated this. The bank's record shows first contact in January 2010. In any event the bank waited until it had confirmation of a debt plan from an agency before suspending interest. But I think this was reasonable on its part. Mr C is not saying that the bank incorrectly applied charges to his account. The bank is not obliged to accept lower payments, but it does have to respond positively and sympathetically to a customer in financial hardship.

I have concluded that the bank met its obligations by agreeing to suspend interest in March 2010 because Mr C had sent it a debt plan. And it also kept interest suspended, even when the plan was not met on occasion. I understand that Mr C is unfortunately continuing to experience difficulties. Vanquis is still obliged to respond positively and sympathetically. But I don't require Vanquis to do anything more.

my final decision

My decision is that I do not uphold this complaint.

Paul Moulder
ombudsman