

The complaint

Ms W complains that Vanquis Bank Limited have mis-managed her credit card debt.

What happened

In 2019, Ms W couldn't keep up with her payments and offered Vanquis affordable, reduced repayments instead.

Ms W told Vanquis not to call her, but they didn't pick up on this and kept trying to call her to discuss her offer – then found they were unable to get in touch. As such, Ms W didn't receive a response to her offer. Vanquis continued to chase her for the debt.

Ms W complained, and Vanquis agreed they'd got things wrong. They accepted her payment arrangement, refunded the interest and fees that had been charged in the meantime, froze interest and fees going forward, passed her case to a specialist support team, agreed not to call her anymore, and offered her £75 compensation.

Ms W didn't accept this. She felt Vanquis had harassed her, and had breached data protection laws by passing her debt to a collection agency. She explained that this had affected her partner's wellbeing. She felt they'd dealt with her complaint poorly.

As Ms W didn't make the agreed payments, the payment arrangement fell through.

I sent Ms W and Vanquis a provisional decision on 2 February 2021, to explain why I thought the complaint should be upheld in part. In that decision, I said:

I should explain first that I cannot consider Ms W's points about the way Vanquis handled her complaint. That's because I'm only allowed to consider complaints about "regulated activities" – such as administering a credit card or chasing a debt. But handling complaints is not a regulated activity in and of itself. So I've focused my decision on the points I'm able to consider.

I have considered whether Vanquis harassed Ms W. But I can't see that their contact was excessive or unreasonable here. I will also explain that Vanquis were allowed to pass her debt to a collection agency – that's a normal course of action for a business to take. And so I don't think they did anything wrong in passing her data to the agency.

It looks like the debt was last passed to the collection agency because Ms W never made the payments she offered. And Vanquis did warn Ms W they might do this. Vanquis accepted her previous offer and agreed to freeze interest and charges. So Ms W may want to get back in touch with Vanquis to set up some new affordable repayments.

I do think Vanquis got some things wrong here – I can see both sides accept that. For example, they phoned Ms W when she'd asked them not to, they failed to respond to her offer at first as a consequence, and while all this was going on the account continued to rack up interest and fees.

I think that Vanquis have already put some of those things right. They apologised, accepted Ms W's arrangement, refunded the interest and fees and froze them going forward, and agreed not to call her anymore.

When a business gets things wrong, we often tell them to pay compensation as well – to recognise their error and the impact it had. Vanquis offered Ms W £75 compensation, which she feels is not enough – and I'm inclined to agree with her. Ms W was already in a stressful situation and it really won't have helped that Vanquis failed to engage with her offer for some time and kept phoning her when they weren't supposed to. It's clear that this matter caused her a good deal of distress, which Vanquis need to put right.

With that said, I do need to explain that we're not here to fine or punish businesses. And, as I've explained above, I have not upheld all of Ms W's complaint points. Further, I'm afraid I can't award compensation for Ms W's partner. I am only able to award compensation to the complainant – Vanquis' customer here – who is Ms W, and not anyone else.

We have guidelines about what levels of compensation to award, and we need to be consistent. Taking everything into account, I think that Vanquis should pay Ms W £150 in total – or £75 more than what they've already offered.

I said I'd consider anything else anyone wanted to give me – so long as I received it by 2 March 2021. Both sides accepted the outcome, though Ms W also said she'd like Vanquis to recall the debt from the collection agency and deal with her in-house.

What I've decided – and why

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

I do understand that Ms W would feel better about things if Vanquis recalled the debt from the collection agency. But as I explained in the provisional decision, they were allowed to pass the debt to the agency and I can't see that they did anything substantially wrong in doing so. So I can't fairly make them take the debt back here. But I will pass on the message informally. I will also pass on the message to them that she would prefer their contact to be by post rather than email.

Otherwise, both sides appear to have accepted the compensation amount and neither side have added any other new evidence or arguments. So having reconsidered the case, I've come to the same conclusion as before.

Putting things right

I direct Vanquis Bank Limited to pay Ms W £150 compensation in total, i.e. £75 more than what they've already offered.

My final decision

I uphold Ms W's complaint in part, and direct Vanquis Bank Limited to pay her £150 compensation in total.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms W to accept or reject my decision before 30 March 2021.

Adam Charles
Ombudsman