

## **The complaint**

Ms B complains that Vanquis Bank Limited failed to provide her with a replacement card, blocked her from using its App, unfairly recorded adverse information about her account with credit reference agencies and provided poor service.

## **What happened**

Ms B had a credit card account with Vanquis. She says the card didn't work. She asked Vanquis to issue a replacement card. She says she didn't receive this until January 2021, which was over a year after she'd requested it.

Ms B says she couldn't make payments to the account because, without the card, she couldn't access the App. She says she's made payments each time Vanquis sent her text requests. But, despite this Vanquis continued to add charges to her account. She spoke to Vanquis in November 2020 and agreed to make a repayment later that month. She'd asked Vanquis to send her the replacement card – but this didn't arrive.

Vanquis sent Ms B a Notice of Default in December 2020 and passed her account to debt collection agents in January 2021.

Ms B says she told the debt collection agents she wanted to make payment in full and they passed her case back to Vanquis.

Ms B says she's experienced difficult personal circumstances over the past few years and also has financial difficulties. She wants Vanquis to refund all the charges to her account, remove the default and activate her card and the App. She says she's experienced distress and her credit score has been adversely impacted because of how Vanquis has treated her. She complained to Vanquis.

Vanquis investigated her complaint. It said it had already investigated some of the matters she was complaining about and had sent her a final response letter on 17 March 2020 in which it had responded to her complaints about:

- her card and PIN not working;
- issues with her mobile App preventing her from managing her account; and
- issues about how its staff had spoken to her.

Ms B had not referred this complaint to our service within six months. So, Vanquis said it did not consent to our service investigating these points.

Vanquis said Ms B had raised a further complaint in November 2020. She'd complained about:

- waiting over a year to get a replacement card;
- being unable to make payments because she couldn't access the App;
- the default on her credit file; and
- she wanted Vanquis to reinstate an arrangement she'd discussed with it in November 2020.

Vanquis issued its final response, about these issues, on 5 January 2021. It said she'd asked for a replacement card in November 2020 and this had been sent to her within two days of her request. It had told her on several occasions about ways to pay when she couldn't access the App.

Vanquis said Ms B had made an arrangement with it in November 2020. It agreed that if she paid £54 by 23 November 2020, it would refund £54 of charges it'd applied to her account. This payment was requested on 23 November 2020 but it was declined. The account was in arrears and no payments had been made since September 2020. In these circumstances, Vanquis said it had correctly reported the arrears to credit reference agencies and issued the Notice of Default. It said it hadn't yet registered the default and it invited Ms B to contact it to make an arrangement if she wanted to avoid that happening. Vanquis accepted it hadn't returned a call after it had promised to do so. It credited £50 to Ms B's account by way of compensation.

Ms B wasn't satisfied. She complained to our service. She also said Vanquis had failed to respond to a Data Subject Access Request she'd made to it.

Our investigator looked into Ms B's complaint. He said we couldn't look into the issues which Vanquis had dealt with in its final response letter dated 17 March 2020. The reason for this was because more than six months had passed before Ms B had referred these matters to us and she hadn't told us about any exceptional circumstances which had caused the delay.

Our investigator said he could look into the matters dealt with in the final response letter dated 5 January 2021. In relation to those matters, he thought Vanquis had tried to contact Ms B by various means including letter, phone call and text to inform her that the payments she was making were less than the minimum payment required and her account was in arrears. He also noted that although Ms B was not able to access the App, Vanquis had provided her with information about other ways to pay.

Vanquis had agreed a repayment plan with Ms B but she hadn't made the agreed repayment. Vanquis had sent a replacement card to Ms B. If she hadn't received it, he didn't think that was a valid reason not to make the repayments. In these circumstances, he thought Vanquis acted fairly and reasonably when it had correctly reported her account to credit reference agencies. If Ms B wanted to make an arrangement to repay her account then she needed to contact the debt collection agency appointed by Vanquis.

Ms B didn't agree. She said she'd made the payments Vanquis has asked for by text but despite this she was locked out of her account. She reiterated she'd waited eighteen months for a card. She said Vanquis had been hiding evidence, ignoring her complaints and it hadn't responded to a data subject access request she'd made.

Our investigator thought about what Ms B said but he didn't change his view. He asked her to provide any further evidence she had to support what she'd said but Ms B hasn't provided anything further.

Because Ms B disagreed, the complaint has been passed to me to decide.

### **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'd just point out at the outset that in this decision I'm only considering the matters which were dealt with in the final response letter from Vanquis dated 5 January 2021. Ms B has

raised other issues. I've dealt with the issues raised in the final response letter dated 17 March 2020 separately. But that doesn't mean I haven't been able to take those matters into consideration when thinking about how this complaint should be resolved.

After Ms B referred her complaint to our service she also raised other matters about the service she'd received from Vanquis, including a complaint about Vanquis's failure to reply to a data subject access request she'd made to it. She needs to raise those matters with Vanquis first and give it the opportunity to respond. So, in this decision, I won't be commenting on those matters.

In this decision I will be dealing with the following parts of Ms B's complaint. She says:

- she's waited over a year to receive a replacement card;
- the replacement card has been blocked and she can't use it;
- Vanquis has blocked her from accessing the App which means she can't make payments;
- Vanquis has passed her account to a debt collection agency;
- Vanquis has reported adverse information, including a default, to credit reference agencies;
- Vanquis has imposed unreasonable charges on her account;
- Vanquis has ignored her complaints and is hiding information.

#### *The replacement card*

Ms B says she waited eighteen months to get a replacement card. I've looked at the records provided by Vanquis and I can see Ms B requested a new card on 25 February 2020. On 4 March 2020, Vanquis told her, by text that she needed to speak to it first if she wanted a new card. It provided her with contact details to enable her to progress this. She didn't contact it by phone at that time.

On 17 March 2020, in response to a complaint she'd made, Vanquis sent her a letter in which it explained that there was no issue with the card it had issued to her in December 2019, but if she wanted a replacement card she would have to clear the arrears on her account and complete additional security over the phone. She was told the minimum payment she needed to make by 27 March 2020, to clear the arrears, was £100.91. I can see she made a payment of that amount on 30 March 2020. But, there's no evidence she phoned Vanquis to go through the additional security required to request a replacement card. So, I don't think it did anything wrong when it didn't issue a replacement card at that time.

I've also looked at the subsequent text messages between Vanquis and Ms B. I don't see any record of a further request for a replacement card until 7 November 2020, when Ms B spoke to Vanquis by telephone. At that stage the account was in arrears with no payments having been made since September 2020. Vanquis agreed a repayment plan with Ms B at that time and confirmed it would send the replacement card to her.

Vanquis did issue a replacement card and sent it to the address it held for Ms B on its records. I'm satisfied, on balance, the card was issued to her on 12 November 2020. She says she didn't get it until 4 January 2021. I haven't been able to ascertain why she didn't receive the card until around two months after it was issued.

But I've noted that, even if the card hadn't been delayed, Ms B couldn't have used it until she cleared the arrears on her account. She didn't make the payment she'd agreed to make during the phone call on 7 November 2020, so her account was still in arrears. And, I don't think that the delay in receipt of the card was a valid reason for not making the payments Ms B was required to make under her credit card agreement.

### *Access to the App*

Ms B says she couldn't make payments to her account because the App wasn't working. I've thought about what she's said here.

I agree that it would've been inconvenient for Ms B to make payments when she says her chosen method was using the App. But, it is the case that Vanquis had given her several alternative ways to make her payments. And, I can see that she did use the automated text message service to make payments using her debit card. So, I don't think that issues accessing the App prevented her from making payments using alternative means.

### *The missed payments and reports to credit reference agencies*

Ms B did make payments to her account during the period from March 2020 to September 2020. I've looked at the amounts she paid and I can see that these were less than the minimum payments required.

Ms B says she paid the amounts Vanquis requested by text and it's not her fault if the amounts she paid were less than what was required.

I've looked at the text messages Vanquis sent Ms B during this period. I can see it informed her each time her account exceeded the limit and asked her to make a payment to bring the account back within the limit. It also contacted her each month to inform her what the minimum monthly repayment was and the date it needed to be paid by. Having looked at the text messages and compared them to the repayments made, I find that Ms B didn't make all of the payments she was requested to make. That's why her account was in arrears.

Vanquis is required to report accurate information about the status of Ms B's account to credit reference agencies. So, I don't think it did anything wrong when it recorded information about the arrears and the missed payments. I've commented further below about the notice of default issued in December 2020.

### *The charges on the account*

Ms B has also told us that Vanquis continued to apply charges to her account despite the fact she wasn't using it and had been making payments.

I can see that during the period from March 2020 to September 2020, Vanquis did apply late payment and over limit fees. As mentioned above, Ms B was sent a text message each time her account was nearing the limit and she was informed about what she needed to pay, and by when, if she wanted to avoid charges.

Under the terms of her agreement, Vanquis was able to apply late payment and over limit charges. So, I don't think it acted unfairly or unreasonably when it applied charges to her account, when she didn't make the minimum monthly payments required. I've also noted that it had reminded her, in March 2020, about the charges that would apply if her account was over limit or payments were late.

In November 2020, Ms B spoke to Vanquis. She discussed the payments due on her account. The adviser told her the minimum payment needed to bring her account up to date was £107.81. She asked how much of that was made up of fees. The adviser looked through the repayment history on her account and agreed that if she paid half of the minimum payment, Vanquis would cover the other half by way of refunding fees. Ms B said she was agreeable to this. She asked what the residual balance on the card would be and the adviser said it would be around £200. Ms B said she intended to clear this amount.

Having listened to the conversation and the arrangement made, I'm persuaded Vanquis acted fairly and reasonably when it agreed to refund around £54 of fees it had applied to her account. I've noted Vanquis also agreed during the subsequent call, where Ms B requested a replacement card, to refund a late payment charge applied to her account on 26 October 2020.

Ms B didn't make the payment of £54. She didn't give a reason for that but said she hadn't received the replacement card and raised a complaint. Vanquis confirmed it had issued the card but said it wouldn't be able to issue another replacement card because her account was in arrears and over the limit.

It was after this that the Notice of Default was issued. Ms B subsequently told Vanquis on 15 December 2020, about her personal circumstances and financial difficulties she was experiencing. In its final response letter dated 5 January 2021, Vanquis told her that the default hadn't yet been registered with credit reference agencies and she could avoid that happening if she contacted it and agreed a suitable payment arrangement.

Ms B would've known, from the conversation she had with Vanquis on 11 November, that it was willing to adopt a flexible approach to the repayments due on her account. And, having read the letter of 5 January 2021, I'm persuaded, on balance that Vanquis was responding positively and sympathetically to what she told it on 15 December when it invited her to contact it to discuss a suitable payment arrangement.

#### *Handling the complaint*

Ms B says that Vanquis has been hiding information and hasn't responded to complaints she's made to it. I've looked at all the information provided and I've not seen anything to support what Ms B says here.

Ms B raised her complaint in November 2020 and Vanquis issued its final response letter on 5 January 2021. If Ms B has further complaints about service she received after that date, she needs to raise those separately with Vanquis.

Vanquis agreed to pay Ms B £50 for the inconvenience she experienced when it didn't return a call, after saying it would call her back. Having considered everything here I think that was fair and reasonable. I don't require it to do anything further.

#### **My final decision**

For the reasons given above, I do not uphold this complaint about Vanquis Bank Limited.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms B to accept or reject my decision before 2 September 2022.

Irene Martin  
**Ombudsman**