

The complaint

Mr H complains his Vanquis Bank Limited credit card didn't work when he tried to use it.

What happened

On 17 June 2023 Mr H was abroad trying to pay for his car hire but the credit card wouldn't work. When he returned to the UK, Mr H contacted Vanquis who said the credit card hadn't been presented while he was away. Mr H said he used the credit card before he went away to check it was working and he had the correct PIN – and Vanquis said they didn't have a record of that either. Mr H said on several occasions he contacted Vanquis their systems were down and thinks this was the problem when he tried to use his credit card. So, he complained and said he'd incurred various costs as a result of his credit card not working.

Vanquis said the reason the transaction didn't work is because the PIN was entered incorrectly or the terminal didn't work. They also said they'd noted Mr H said he'd used his credit card prior to going away, but the last record they had was 2 March 2023 on the internet. They said while they appreciated it was inconvenient, they hadn't made any errors.

Unhappy with this, Mr H contacted us, and pointed out this was different information than they'd given him previously. He also said he knew the terminal abroad was working, as the person he was travelling with used it to pay for the car hire. One of our Investigators considered things. She found no evidence Vanquis had made an error in declining the transactions Mr H had attempted. She did though think Vanquis had given differing accounts of what'd happened which had caused Mr H distress. Because of that, she asked Vanquis to pay £100 compensation.

Mr H didn't accept this. He said he was told there were no records of him attempting to use his credit card, but five months later they conveniently provide evidence showing the attempts. When speaking to Vanquis they had to reboot their computer which is yet more evidence of their systems not working which Mr H said adds to the overwhelming evidence he couldn't use his credit card because of the problems Vanquis was having with their systems. Mr H felt Vanquis' evidence was flawed – and he asked for a copy of the transactions report which was provided to him. As Mr H didn't agree with our Investigator, the complaint's 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.

As a starting point, I should explain I'd only uphold this complaint and require Vanquis to repay Mr H's costs, if I think they've made an error which led to those costs being incurred.

Mr H says he knows his PIN works, because he entered it into an ATM the day before he tried the car rental transaction. This was 16 June 2023, but Vanquis say they've no record of it. They say there would only be a record if Mr H had tried to do something which required authorisation – such as withdrawing cash.

I don't know for certain if Mr H did use his credit card at an ATM before he tried to use it for the purchase – but I'll accept he did as I've seen no reason why he'd say otherwise, though I don't think it changes the overall situation.

I say that because I think Vanquis' explanation makes sense. I'm aware that sometimes, depending on the credit card and the ATM, you can enter your PIN, and be presented with the usual ATM menu of actions such as withdrawing cash, seeing your balance and so on. This makes it look like your PIN has been accepted. But the machine only checks the PIN once you've done a transaction like trying to withdraw money. So, if you only get as far as the menu, this doesn't automatically mean you've input the correct PIN – because at this point the PIN may not have been checked.

So, although I can see Mr H is certain he had the correct PIN, I'm not as certain as he is. And that's then borne out by Vanquis' evidence.

I realise Mr H disputes that, and I'll come on to his comments shortly. But the transactions list shows Mr H input his PIN wrongly on the first attempted transaction – and it shows the next two transactions weren't processed.

Vanquis have told us they don't have an explanation for the second and third attempts, and in the circumstances – based on the evidence provided – I can see why. There is nothing to suggest why these transactions were turned down. Vanquis have given us a detailed oversight of their processes and examples of what can happen in other situations. I can't share all of that information as it's commercially sensitive, but I am satisfied it demonstrates Vanquis did eventually take Mr H's concerns about his declined payments seriously.

I realise Mr H says Vanquis' systems can't be relied on – and given his experience I can understand why. On several occasions when he's called them, they've said their system is down. I can't rule that out – but if that were the case, and the reason their system didn't process the payment, then it follows the attempts wouldn't even show – because their systems were down when the payments were attempted, meaning they wouldn't have registered the attempted transactions. Instead, the notes show the first payment attempted at 9.29am and 42 seconds – this is the invalid PIN. The second attempt was made just over one minute later, and the third again just over one more minute later. It seems unlikely to me Vanquis' systems would be working well enough to record an invalid PIN initially, and then not working to the extent of declining payments but working well enough to record they were attempted.

I don't know if the issue was the merchant's terminal as Vanquis have suggested – and perhaps not given Mr H's companion was able to use their card. But I'd have to be satisfied Vanquis made the error leading to the credit card payments being declined and for the reasons I've explained above I'm not.

I do agree though with Mr H that Vanquis have given him conflicting information on multiple occasions which is disappointing. I suspect this is, as much as anything, a lack of proper investigation or understanding of the issues when he was first speaking to them. But, regardless of the reason, it's disappointing and means I can absolutely see why Mr H doesn't trust what Vanquis have told him and our service. For those reasons I think £100 compensation is fair.

My final decision

I partially uphold this complaint and require Vanquis Bank Limited to pay Mr H £100 compensation.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr H to accept or reject my decision before 26 March 2024.

Jon Pearce
Ombudsman