

The complaint

Mrs E complains that Vanquis Bank Limited hasn't refunded a credit card transaction which she says she didn't authorise.

What happened

The circumstances of this complaint are well known to both parties, so I won't repeat them in detail again here. But I'll provide an overview of events below.

In August 2023 Mrs E contacted Vanquis about a payment for £189.72 which she said she didn't make. Vanquis set up a fraud claim and on 28 August 2023 it sent Mrs E an email declaration to complete. But when this wasn't returned by Mrs E, Vanquis cancelled the fraud claim.

Mrs E's credit card account defaulted on 31 January 2024, and she has told us the debt has since been sold to a debt recovery agency (which I'll refer to as 'L').

Mrs E complained to Vanquis, and it responded on 12 February 2024. In short, Vanquis maintained it was unable to consider the fraud claim without the completed declaration. It told Mrs E to contact its customer service team to raise a new fraud claim. Vanquis has said it heard nothing more from Mrs E.

On 7 March 2024 Mrs E referred her complaint to the Financial Ombudsman. She said Vanquis hadn't refunded the disputed payment and she didn't receive the declaration Vanquis said it had sent to her.

One of our Investigators considered the complaint and didn't uphold it. In summary, she said Vanquis had been unable to investigate Mrs E's fraud claim without the completed declaration. And so, she didn't think it had done anything wrong.

Mrs E didn't accept the Investigator's findings, so the complaint has been passed to me to make a decision. She maintained she hadn't received the declaration to sign and questioned how Vanquis could've investigated her '*complaint*' without it, having previously said this wasn't possible.

Mrs E was also unhappy that Vanquis had sold the credit card debt to 'L' without letting 'L' know there was disputed activity on her account. She said had 'L' known this, it would never have taken the debt on.

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.

Having done so, I agree with the conclusions reached by our Investigator for reasons I'll set out below.

But first, I would like to say at the outset that if there is a submission I've not addressed; it isn't because I have ignored the point. It is simply because my findings focus on what I consider to be the central issues in this complaint – that being whether Vanquis has acted reasonably in its dealings with Mrs E.

It might help if I make a distinction between Mrs E's *fraud claim* (which arose from her disputing she authorised the £189.72 payment) and her subsequent *complaint* to Vanquis (which seems to have been prompted by her account defaulting).

Fraud claim

Vanquis has maintained its position that it needed the signed declaration from Mrs E to investigate the disputed £189.72 payment. I appreciate Mrs E says she didn't receive the email containing the declaration – but I've seen evidence from Vanquis that it was sent, to the correct email address for Mrs E, on 28 August 2023. So, on balance, I think it likely Vanquis sent the declaration to Mrs E.

Because the signed declaration wasn't returned by Mrs E, Vanquis cancelled the fraud claim. Whilst it's unfortunate if Mrs E didn't receive the declaration, I can't say Vanquis has done anything wrong here.

Vanquis has made it clear to Mrs E that if she wants the fraud claim raised again, she can do so by contacting its customer service department.

Complaint

From the information I've seen, it looks as though Mrs E made no further contact with Vanquis after August 2023 until she received notification that the account had defaulted. At this point she raised a complaint which Vanquis investigated. This process didn't require the signed declaration from Mrs E (as she seems to be suggesting) as Vanquis was looking at how it had handled Mrs E's request for a fraud claim *not* investigating the claim itself which remained cancelled.

Debt sold to 'L'

Mrs E believes Vanquis should've told 'L' there was disputed activity on her account – and that if it had, it wouldn't have taken the debt on. I'm afraid I don't agree with Mrs E here.

Firstly, as I've outlined above, there was no active fraud claim investigation at the point the debt was sold. But even if there was, a fraud claim being investigated doesn't negate the need for a credit card account to be maintained. And it's standard practice for a debt to be sold to a debt recovery agency (in this case 'L') when it falls into severe arrears. And so, I can't say Vanquis did anything wrong here.

I'm sorry to hear of the situation that Mrs E has found herself in. But taking everything into account, I don't think Vanquis needs to take any further action.

If Mrs E wishes to initiate a new fraud claim, then she should contact Vanquis and provide the required declaration. If she has concerns about how the debit is being handled by 'L' – then she would need to complain directly to 'L'.

My final decision

For the reasons set out above, my final decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs E to accept or reject my decision **before 13 August 2024**.

Anna Jackson
Ombudsman