

The complaint

Mrs M complains that Vanquis Bank Limited (“Vanquis”) didn’t action her request to reduce her monthly payment and change the payment date. She’s also unhappy that Vanquis wrote to her and advised her that her interest rate was increasing

What happened

Mrs M experienced a change in her financial circumstances and asked Vanquis if she could reduce her monthly payment and change her payment date. She sent several messages to Vanquis and thought everything had been agreed.

Subsequently Mrs M received messages from Vanquis advising her that she hadn’t made the correct payment. She then received a letter advising her that the interest rate applicable to her account was increasing.

Mrs M felt that Vanquis wasn’t being supportive and complained.

Vanquis issued a final response in which it acknowledged that Mrs M had asked to make reduced payments of £100. It said it had responded with a letter asking Mrs M to complete an income and expenditure form and said the letter had explained that until a payment plan was in place the terms and conditions of the account including interest and charges would continue as normal. Vanquis said it hadn’t received the relevant responses from Mrs M in order to make changes or set up a payment plan on the account. It said it had tried to contact Mrs M by telephone, but this had been unsuccessful. Vanquis said the increase in interest rate hadn’t been actioned due to Mrs M’s circumstances.

Mrs M remained unhappy and brought her complaint to this service.

Our investigator didn’t uphold the complaint. He said that although Vanquis was aware of Mrs M’s request to pay £100 per month, they needed more information before agreeing a payment plan, which they hadn’t been able to obtain from Mrs M despite several attempts. The investigator said that Vanquis had acted fairly by not increasing the interest rate in the light of Mrs M’s financial circumstances.

Mrs M didn’t agree. She said she’d had no direct communication from Vanquis to advise her that her offer of £100 per month had been refused.

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 can see that Mrs M first contacted Vanquis in August 2023 to advise them that her financial circumstances had changed and to request payments of £100 per month.

I can also see that Vanquis responded to Mrs M on the same day it received her letter and asked her to complete an income and expenditure form.

I can't see that Mrs M ever returned the completed income and expenditure form to Vanquis.

Mrs M has provided this service with copies of all the text messages she sent to Vanquis. She's also told this service that she maintained payments of £100 per month despite some health difficulties.

I've looked at the text messages and whilst I can see that Mrs M refers to her offer of £100 per month, I can't see that Vanquis ever accepted the offer, or confirmed that a payment arrangement was in place.

Mrs M has said that Vanquis never refused the offer of £100 per month. She may be right about that. However, just because Vanquis didn't refuse the offer doesn't mean that they agreed to it. I haven't seen anything in the texts between Mrs M and Vanquis to indicate that Vanquis had accepted the offer of £100 per month. Vanquis had advised Mrs M that she needed to complete the income and expenditure form before it could consider putting a payment arrangement in place, and because Mrs M didn't provide this information, nothing was agreed.

Mrs M has also complained about the increase to her interest rate. I can see that Vanquis wrote to Mrs M advising her that the interest rate was increasing. However, Vanquis has confirmed that the interest rate increase was never implemented due to it having taken account of Mrs M's financial circumstances. I think Vanquis treated Mrs M fairly in this regard.

I appreciate that Mrs M has had a difficult time recently. If her financial circumstances haven't improved and she still wishes to agree a payment plan, Vanquis's final response letter provides details of what information she needs to provide to agree a payment plan going forwards.

My final decision

My final decision is that I don't uphold the complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs M to accept or reject my decision before 5 August 2024.

Emma Davy
Ombudsman