

The complaint

Mr S complains that Vanquis Bank Limited (Vanquis) didn't credit his account with a balance transfer of £3,000.

What happened

On 1 December 2023, Mr S set up a balance transfer for £3,000 from another bank credit card (which I will call 'bank A').

The credit was received into the Vanquis account on 2 December 2023 but was then transferred out as a 'cash transfer' on 4 December 2023. This was because the Vanquis account was in credit.

Between 8 December 2023 and 19 December 2023, Mr S had about 20 calls with Vanquis about the balance transfer – as it hadn't been credited to his Vanquis account.

On 18 December 2023, £3,000 was posted to the Vanquis credit account.

Mr S complained. He said the time taken was unacceptable. He was told the fault lay with the sending bank A. He had then checked many times with bank A which said there were no problems with the payment, nor had it been returned to that bank. He said his complaint was closed too early – on 15 December 2023.

Because of the time taken to sort matters out he was left worrying as to what had happened to the £3,000. He needed the money for an important holiday starting on 22 December 2023. Because the money was missing, he had to pay in another £2,500 to the Vanquis account.

He said he experienced sleepless nights and worry. He had to get treatment from his doctor for the stress he suffered. In addition, he had spent at least 20 hours on the phone to Vanquis.

On 15 December 2023, Vanquis closed the complaint. The firm said they couldn't locate the payment – and so the account details provided by Mr S for bank A were wrong, or the funds hadn't been received from bank A. They said Mr S should submit an official trace instruction to bank A. Vanquis paid £20 as a gesture of goodwill on 22 December 2023. **(continued)**

Mr S brought his complaint to us. Our investigator said:

- Vanquis returned the payment to bank A as the balance transfer put the account into credit – this was in line with the terms and conditions of the account.
- Vanquis should've been able to trace the funds earlier than they did, although bank A appeared to be partly to blame.

- Once Vanquis got the details from bank A, they traced the funds and applied them to the account.
- She said Vanquis paid compensation of £100 to Mr S, which was enough to deal with his complaint.

Mr S didn't agree and asked that an ombudsman look at his complaint - and so it has come to me.

I issued a provisional decision which upheld Mr S' complaint:

I have fully reviewed what happened here. During our investigation, Vanquis told us that what in fact happened was:

- The balance transfer of £3,000 was received on 2 December 2023; I can see this on Mr S' statement.
- But because the balance was then zero, the money was put into a 'suspense' account within Vanquis. The transfer was on 4 December 2023 - shown as 'cash transfer £3,000'. It was shown on the statement dated 20 December 2023.
- This was their standard process, and the intention was to enable matters to be sorted out between Vanquis and the customer concerned (Mr S in this case).

So – the payment didn't go missing, nor was it returned to bank A. And it's reasonable to have expected Vanquis to have known this from the outset and been able to advise Mr S of this.

I noted there were approximately 20 calls between Mr S and Vanquis between 8 December 2023 and 19 December 2023.

I listened to them and Mr S was told a number of times that the money wasn't with Vanquis; and the firm had done nothing wrong. He was told he needed to go back to bank A and start a trace – which he did. He also raised a complaint with bank A – which if course was not upheld, as bank A had properly sent the money to Vanquis.

So here, I'm satisfied that Vanquis made an error. They had several opportunities to resolve Mr S' complaint – as the money was held within Vanquis all along - and in line with their processes. But they gave Mr S the wrong information a number of times. And I can see that this caused Mr S a good deal of stress and worry:

- He called Vanquis many times – I counted over 20 calls. He says he spent 20 hours on the phone, including the time taken to be transferred – this looks a reasonable estimate of time spent to me.
- The final response sent by Vanquis was wrong – as it said the funds hadn't been received (when they had) and said Mr S should go back to bank A.
- Mr S had to complain to bank A and asked for a trace on the payment, all of which came to nothing – so it was time wasted.
- For two weeks he didn't know what had happened to the £3,000 – which he needed to pay for his Christmas holiday. I can see this must have been very concerning for him. I heard how upset and worried he was on some of the calls.
- He told us he had to get treatment from his doctor for the stress he was under.

Therefore, I think it's only reasonable that Vanquis pay more compensation for what happened. I could only see a payment of £20 on 22 December 2023. Our criterion for compensation is set out at:

<https://www.financial-ombudsman.org.uk/consumers/expect/compensation-for-distress-or-inconvenience>

I think that in line with this guidance, given the short term, but significant impact on Mr S, Vanquis should pay compensation of £300.

Responses to the provisional decision:

Mr S accepted the findings. Vanquis had no further comments to make.

I now need to make a final decision.

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.

Because Mr S accepted the findings; and Vanquis had no further comments to make, my final decision is unchanged from the provisional decision.

Putting things right

Vanquis must pay compensation of £300.

My final decision

I uphold this complaint. Vanquis Bank Limited must:

- Pay compensation of £300 for distress and inconvenience.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr S to accept or reject my decision before 30 September 2024.

Martin Lord
Ombudsman