

The complaint

Mr C complains that Vanquis Bank Limited sent him an email offering a limit increase on his credit card account which he thinks was misleading and unfair.

What happened

Mr C has a credit card with Vanquis Bank and it sent him an email saying that he was eligible to have a credit limit increase. This was subject to him qualifying for this and Vanquis asked Mr C to provide information so that it could assess whether an increase was affordable for him.

Mr C complained as he said the wording of the email came across as misleading and was false advertising. He believed he was being offered an increase which he could accept, but when he clicked on the link in the email, he was asked to give information and was told that Vanquis would let him know if it would agree the increase for him within 24 hours.

Vanquis said that, although it didn't believe it had made any errors, it understood why Mr C found the wording it used when offering the credit limit increase to be misleading. It said that it wanted to make sure that customers are able to afford repayments if they spend up to the new higher limit. Vanquis sent Mr C a cheque for £25 as an apology for any distress he was caused. It said that had actioned his request to be removed from receiving any future offers of credit limit increases.

One of our investigators looked at the complaint and didn't think it should be upheld. They said they wouldn't expect Vanquis to provide a credit limit increase without checking whether this was affordable for the customer. The investigator didn't think Vanquis had intended on causing Mr C inconvenience; but it had apologised and sent him £25 in compensation, which they thought was fair.

Mr C didn't accept the investigator's findings and asked for his complaint to be reviewed. He said that no other credit card provider offers a credit limit increase and then asks the customer to apply for it. He said this was misleading and out of line with banking regulations as other providers offered the increase to the credit limit for the customer to accept or reject.

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 do appreciate Mr C's strength of feeling about this, particularly if he's had limit increases offered by other credit card providers, but hasn't had to provide more information in order to accept this.

I've looked at the email about the credit limit increase which Mr C was sent because of the way he'd managed his account. This says:

“We want to make sure this increase is right for you now. When you contact us we’ll ask you some simple questions about your income and expenses.”

And under the increased amount offered, it says this would be “*subject to eligibility*”.

It also says that he didn’t need to do anything if he wanted to stay on his existing credit limit – giving him the option not to contact Vanquis about it, or not to click on the link within the email.

I don’t think this is misleading in that it would lead Mr C to believe he was accepting the offer of a limit increase without Vanquis first asking questions to make sure it was right for him. Vanquis was offering Mr C access to a higher level of available credit, so I don’t think the actions Vanquis took were irresponsible or unfair when it was looking to make sure this would be affordable for Mr C as it is required to do.

However, Vanquis has said that it understood why Mr C felt the wording of this email came across as misleading to him. And it has apologised, both over the phone and in writing, and sent him a cheque for £25 to recognise any distress or inconvenience this matter caused him. It has also actioned his request not to receive such offers in the future.

Taking everything into account, I think this represents a fair resolution to Mr C’s complaint.

My final decision

My decision is that I don’t uphold this complaint.

Under the rules of the Financial Ombudsman Service, I’m required to ask Mr C to accept or reject my decision before 8 April 2020.

Cathy Bovan
Ombudsman