

The complaint

Mrs S complains that Vanquis Bank Limited irresponsibly allowed her to open a credit card account that was unaffordable and also approved a number of credit limit increases.

What happened

Mrs S says she opened the Vanquis credit card account in 2013 and at the time she was in significant debt. She says the credit limit was increased on a number of occasions when it ought to have been clear to Vanquis that the lending was not affordable and that proper checks were not carried out. Mrs S says she had a number of defaults registered on her credit file and took out payday lending. She would like all interest refunded and 8% interest paid on that amount.

Vanquis says it doesn't give us permission to look at events more than six years before a complaint was made. It says there were credit limit increases in 2013, 2014 and 2016 but says all were appropriately assessed and credit scored. Vanquis says there were no defaults registered within 12 months of any increase and says Mrs S only missed six payments in the six-year period. It says Mrs S managed her account well and that she could have rejected any increases.

Mrs S brought her complaint to us, but our investigator didn't uphold it. The investigator thought Vanquis had carried reasonable and proportionate checks before increasing the credit limits and didn't think there was adverse information on Mrs S's credit file in the 12 months before those increases. The investigator also thought Mrs S had made regular payments and managed her account appropriately.

Mrs S accepts that we can't look at events more than six years before she made her complaint. She says there were defaults on her credit file and doesn't accept the investigator's view. Mrs S has provided some extracts from her credit file following my request.

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 have come to the overall view that Vanquis hasn't made a mistake or acted irresponsibly by allowing the credit limit increases. I realise Mrs S will be disappointed by my decision.

I make clear that I'm only looking at the credit limit increases that took place in the six years before Mrs S made her complaint and I can see that Mrs S accepts that we can't look at events before that time. I have looked at Vanquis's records and can see that all of the credit limit increases were credit scored and checks carried out before those increases were made. I'm also satisfied that although Mrs S has some adverse information on her credit file, that there was a significant time period of at least a year and often longer after that adverse information was recorded, before any credit limit increase was made. I also can't see any

County Court Judgement's registered on her credit file. And I have not seen any adverse information on the extracts from the credit file that can reasonably lead me to conclude the credit limit increases were unaffordable and so irresponsible.

I have also looked at Mrs S's credit card statements and I'm satisfied she managed her account appropriately and made regular required payments and regularly made payments greater than required amounts.

Overall, I'm satisfied Vanquis carried out reasonable and proportionate checks before deciding to offer Mrs S the credit limit increases. I have not seen any evidence that the increases were unaffordable at the time and I also think that Mrs S could have rejected the increases if she wished to do so. I appreciate that Mrs S's financial position may have changed but that doesn't mean I can fairly conclude the lending was unaffordable at the time of the credit limit increases and can see that in 2016 Mrs S was able to repay the credit card debt.

My final decision

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

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs S to accept or reject my decision before 27 October 2020.

David Singh
Ombudsman