

## **The complaint**

Mr W complains that Vanquis Bank Limited lent irresponsibly when it approved a credit card with a £250 limit.

## **What happened**

In June 2018 Mr W applied for a credit card with Vanquis. Mr W's application said he earned £48,000 with a household income of £80,000. Vanquis completed a credit search and found some defaults from around seven months before the application. Vanquis also found Mr W had around £4,300 of unsecured credit outstanding.

Mr W used the credit card for around thirteen months and missed some payments during that time. The missed payments show on Mr W's credit file.

Mr W complained that Vanquis shouldn't have approved his application due to his credit rating. Vanquis responded on 29 October 2019 but didn't uphold Mr W's complaint. Vanquis advised that it is a second chance lender and that Mr W's application had been approved in line with its lending criteria.

Mr W referred his complaint to our service and an investigator looked at what had happened. The investigator thought Vanquis had dealt with Mr W's complaint fairly and didn't ask it to do anything else. Mr W asked to appeal so his case has been passed to me to make a 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.

Mr W has told us that he feels Vanquis lent irresponsibly as other lenders declined applications he made. I take Mr W's point, but I can only look at Vanquis' actions. I've reviewed the application Mr W completed with Vanquis along with the information it had available. I'm sorry to disappoint Mr W but I haven't been persuaded that Vanquis lent irresponsibly.

Vanquis has explained that it is a second chance lender. That means, it will lend to consumers with some adverse credit, including defaults. Vanquis has sent in systems evidence to show it was aware that Mr W had around £500 of defaults when he applied and that the most recent one was registered about seven months earlier. Vanquis' credit search also picked up about £4,300 of other unsecured credit.

Mr W declared an income of £48,000 and a household income of £80,000. I note that Vanquis approved a reasonably modest credit limit of £250. Taking the credit file information and application details Mr W gave, I think Vanquis' decision to proceed was reasonable.

Lenders have to complete proportionate checks to ensure the borrowing is sustainable. Here, Vanquis looked at Mr W's credit file, noted the adverse credit it found and took his

other outstanding credit into account. Vanquis reviewed Mr W's income and application information. I'm satisfied that those checks were proportionate. As Mr W's application was in line with Vanquis' lending criteria, I'm satisfied that its decision to proceed with the credit card was reasonable based on what it knew.

Mr W has asked for the missed payments to be removed. But lenders have to report accurate information about how accounts are operated. And the arrears information accurately reflects the payments Mr W made.

I'm sorry to disappoint Mr W but I'm satisfied Vanquis' decision to proceed with his application was reasonable. I haven't found that Vanquis lent irresponsibly, so I'm not upholding Mr W's complaint or telling it to take any further action.

### **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 W to accept or reject my decision before 19 October 2020.

Marco Manente  
**Ombudsman**