

## **The complaint**

Ms H complains that Vanquis Bank Limited irresponsibly allowed her to open a credit card account that was unaffordable.

## **What happened**

Ms H says that Vanquis should not have allowed her to open a credit card account in 2018 as it was clear she was in financial difficulties. She says the lending was both unaffordable and irresponsible. Ms H says she got into further debt and would like Vanquis to treat her fairly.

Vanquis says it carried out reasonable and proportionate checks on Ms H's application and gave her a relatively low credit limit of £1,000. It says Ms H had no County Court Judgements (CCJ's) on her credit file and one default some seven months before. It also says Ms H had a regular wage.

Ms H brought her complaint to us and our investigator didn't uphold it. The investigator thought Vanquis had carried out appropriate checks on Ms H's application and thought the account was, for some time, well managed. The investigator thought Vanquis had tried to help Ms H when it became aware of her difficulties.

Ms H doesn't accept that view.

## **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 I don't uphold this complaint. I appreciate Ms H will be disappointed by my decision.

Lenders should carry out proportionate and reasonable checks on any lending applications. Those checks will of course vary depending on the type and amount of lending. I'm satisfied that Vanquis did carry out those checks and gave Ms H what I think was a relatively modest credit limit of £1,000. I can see Ms H received a regular income and didn't have any recent adverse data recorded on her credit file. And I can see that Ms H managed her account appropriately for some time after the account was opened which I think provides evidence that the lending decision was appropriate at the time.

I think Ms H's financial position got worse, but I can't fairly hold Vanquis responsible for that change in Ms H's financial position. Banks and building societies should treat customers in financial difficulties positively and sympathetically. And I'm satisfied that Vanquis has acted in such a way her by agreeing to freeze interest and charges. I also think Vanquis has fairly offered to set up a repayment plan, but Ms H didn't want to agree to it due to the possible impact on her credit file.

Overall, I'm satisfied Vanquis hasn't made a mistake or acted unfairly and did carry out appropriate checks on Ms H's credit card application. I also find it tried to help Ms H.

### **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 Ms H to accept or reject my decision before 31 May 2021.

David Singh  
**Ombudsman**