

The complaint

Mr P complains that Vanquis Bank Limited (“Vanquis”) unfairly and irresponsibly increased his credit card limit without his agreement.

What happened

The background of this complaint is well known to all parties. So, I’ve summarised events.

- Mr P held a credit card with Vanquis from January 2014 to January 2017. This initially included a £500 limit. Across the following years Vanquis increased Mr P’s limit on several occasions raising this eventually to £4,000.
- He complained, saying this it caused him financial difficulty, and his circumstances and financial history showed Vanquis to have provided credit irresponsibly.
- Vanquis said it carried out sufficient checks when making these increases. It said these showed Mr P had no county court judgements (“CCJs”) or recent defaults against him, and all of his payments had been made on time and in full. It also said it notified Mr P of the increases on each occasion, and gave him the option to decline. It also noted his total external lending (excluding mortgage debt) had fallen from around £12,000 in 2014 to only £12 a year later – only rising to around £1,100 in the following years.
- Our investigator considered what happened and said Vanquis had acted fairly and in line with its lending obligations when making these increases – taking into account relevant information about his credit file and payments.
- Mr P said he had missed a payment and gone over his limit in 2014, and highlighted his loan history. He also said his external lending may have only increased because of debts being passed on to third parties. And that he had to borrow from elsewhere to make payments and hadn’t managed his finances well.
- Our investigator considered these points, but it didn’t change his mind – saying Vanquis had considered his history at the time of each limit increase. And he said the point about debts being passed on wasn’t reflected in any credit reference agency (“CRA”) information. Nor could he see that Mr P had raised this with Vanquis at any time. And based on what Vanquis did have from its searches and Mr P’s payment history, it appeared he was successfully managing his finances.
- Mr P disagreed. He reiterated his concerns and said he was unable to provide any further evidence to support his position. He also referenced redress he received from other lenders who had upheld his complaints.

So, the complaint has been passed to me for an ombudsman’s 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.

Having done so, I'm not upholding this complaint. And largely for the same reasons given by our investigator previously.

Mr F has made a number of arguments about steps he thinks Vanquis should've taken. I've considered everything he's said but I won't be responding in similar detail. So, if I haven't mentioned a particular point or piece of evidence, it isn't because I haven't seen or thought about it. I've just simply focused on the key issues that I need to explain my decision. This isn't intended as a discourtesy, it is just a reflection of the informal nature of our service.

- The relevant rules and guidance from the Financial Conduct Authority's (FCA) Consumer Credit sourcebook required Vanquis to undertake a reasonable assessment of Mr P's creditworthiness each time it increased his credit limit.
- Vanquis has its own processes and approach to risk when providing credit, but I have to consider whether it has met the requirement of undertaking a reasonable assessment in these particular circumstances.
- In line with the above rules, I've looked at whether Vanquis reasonably considered the information it held for Mr P, his ability to make repayments each month, any information it could obtain from CRAs and his credit file.
- I'm satisfied Vanquis carried out checks on each of the dates of increases. And that based on the available evidence it had from CRAs and what it knew of his payment history the increases were reasonable.
- Mr P has said that his debts may have appeared to decrease, but this was likely to be as a result of debts being passed on. But this simply isn't apparent within the available evidence. He's suggested his account wasn't well maintained, citing an instance where he says a payment was missed. But this isn't reflected within his statements either. And from what I have seen he made all of his repayments and made payments above the minimum on a number of occasions.
- I've taken into account Mr P's wider lending history and his commentary around this. But in all of the circumstances I'm satisfied Vanquis carried out proportionate checks and a reasonable assessment of his creditworthiness each time it increased his credit limit, as our investigator has outlined previously. And as a result, I'm not directing it to do anything further.

My final decision

For the above reasons I'm not upholding this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr P to accept or reject my decision before 22 June 2021.

Jack Baldry
Ombudsman