

## **The complaint**

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

## **What happened**

Ms H says she opened the Vanquis credit card account in 2015. She says the lending was unaffordable and that appropriate checks were not carried out. Ms H says that if appropriate checks had been carried out then Vanquis ought to have realised the lending was unaffordable. She would like all interest and charges refunded as well as interest paid on that refund.

Vanquis says the account was opened in 2015 with a modest credit limit of £150 after appropriate checks were carried out. It says Ms H declared an income of £12,000 a year with additional income of a further £15,000 a year. Vanquis says Ms H had non-mortgage debt of £1,900 and the last default on her credit file was recorded some 20 months before this application. It says Ms H says she lost her job in 2017.

Ms H brought her complaint to us, but our investigator didn't uphold the complaint. The investigator thought Vanquis carried out appropriate checks on the application and didn't think there was any adverse information it should have considered. The investigator also thought Ms H managed her account until she lost her job and that the credit limit was modest.

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.

Lenders and credit providers should carry out reasonable and proportionate checks on any lending or credit applications. Those checks will of course vary depending on the type or amount of any lending. This was an application for a credit facility rather than for example a mortgage and so I wouldn't have expected Vanquis's checks to have been as detailed as for that type of lending, but appropriate checks must still be completed.

I have looked at Vanquis's records and I can see it checked Ms H's credit file and calculated her other debt. I can see it checked the date of her last default which was some 20 months before the application and noted her overall income of £27,000 a year. So, I'm satisfied that Vanquis did carry out reasonable and proportionate checks on Ms H's application and that it was reasonably entitled to conclude the lending was affordable. It follows that I'm also satisfied that the lending decision was not irresponsible.

I can also see that Ms H managed her account appropriately until she appears to have lost her job in 2017, which I think provides additional evidence that the lending was affordable at the time. And I think Vanquis approved what I think is a very low credit limit of £150 and I can't see why that would be unaffordable taking into account the annual income and debt.

Overall, I'm satisfied Vanquis carried out reasonable and proportionate checks on this credit card account application that that the lending decision was affordable. In those circumstances I can't fairly order Vanquis refund charges or interest as Ms H would like.

### **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 27 December 2021.

David Singh  
**Ombudsman**