

## **The complaint**

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

## **What happened**

Miss H says she applied for the account in June 2021 and says Vanquis should not have approved her application. She says appropriate checks were not carried out and that Vanquis ought to have asked to see her bank statements or wage slips. Miss H says she was only working three hours a week and had a gambling problem. She would like the balance written off.

Vanquis says Miss H applied for the account and told it she had income of just over £10,000 a year. It says it carried out checks on the application noting Miss H had other debt of about £2,000 which was well managed. Vanquis says it carried out checks on Miss H's credit file and couldn't see any recent adverse information.

Miss H brought her complaint to us and our investigator didn't uphold it. The investigator explained to Miss H the checks we would expect a lender to carry out which she thought Vanquis did in this case. The investigator thought Vanquis did consider Miss H's existing debt and lack of recent adverse information on her credit file. And that Vanquis wouldn't have known about Miss H's gambling problem.

Miss H doesn't accept that view and maintains further checks ought to have been carried out.

## **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 Miss H will be disappointed by my decision.

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

I'm satisfied that Miss H applied for the Vanquis credit card account and declared an income of just over £10,000 a year and with limited outgoings. I'm also satisfied that Vanquis did carry out checks on the application and can see that it looked at Miss H's credit file and carried out affordability checks. I can see that Vanquis calculated Miss H's other debt at just over £2,000 and was entitled to consider that Miss H managed her other debt appropriately.

So, I'm satisfied that Vanquis did carry out reasonable and proportionate checks on Miss H's application and that there wasn't anything that resulted from those checks that would have reasonably led Vanquis to conclude the lending was unaffordable. I'm also satisfied that Vanquis approved what I think was a relatively modest credit facility of £500.

I appreciate Miss H says she had a gambling problem and I am sorry to have read that. I think it likely that it was the gambling issue that caused Miss H's financial difficulties and her debt to family or friends. I don't think Vanquis could have known about that issue unless Miss H told it about it. And I have made clear that I think Vanquis's checks were appropriate and I wouldn't have expected it in those circumstances to have asked to see Miss H's bank statements.

For those reasons I can't fairly order Vanquis to write off Miss H's debt and make clear that even if I upheld the complaint, wouldn't have asked it to have written the debt off as Miss H had the benefit of that money.

### **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 Miss H to accept or reject my decision before 21 May 2022.

David Singh  
**Ombudsman**