

The complaint

Mr E complains that Vanquis Bank Limited ('Vanquis') irresponsibly gave him a running account credit facility that he couldn't afford.

What happened

On 24 October 2019, Mr E applied for and was given a credit card account with Vanquis.

In 2022, Mr E complained to Vanquis to say that the account shouldn't have been opened for him because it wasn't affordable and that Vanquis ought to have made a better effort to understand his financial circumstances before increasing his credit.

Our adjudicator didn't recommend the complaint be upheld. Mr E didn't agree. So, the complaint has been passed to me to decide.

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.

I've read and considered the whole file, but I'll confine my comments to what I think is relevant. If I don't comment on any specific point it's not because I've failed to consider it but because I don't think I need to comment on it in order to reach what I think is the right outcome in the wider context. My remit is to take an overview and decide what's fair "in the round".

Vanquis will be familiar with all the rules, regulations and good industry practice we consider when looking at a complaint concerning unaffordable and irresponsible lending. So, I don't consider it necessary to set all of this out in this decision. Information about our approach to these complaints is set out on our website.

Mr E's complaint is that Vanquis made credit available that was unaffordable. Vanquis has explained that it carried out a credit check using a credit agency to determine the amount of credit it was able to offer. It's possible that Vanquis failed to make adequate checks before providing Mr E with credit. But even if that's true, I don't think better enquiries would have caused Vanquis to think the credit was unaffordable.

I say this because Mr E told Vanquis that he earned a good salary. Mr E's bank statements show that Mr E's account enjoyed an income that was both regular and not modest. And the statements suggest that whatever other monthly commitments Mr E may have had for other credit, the total income each month was roughly the same as his monthly expenditure. And the credit reports I have seen show no CCJ's or defaults in the years before the sale, except for the one that happened in 2015. Had Vanquis been aware of this in 2019, I think it unlikely that this would have put Vanquis off providing reasonably modest credit on a credit card over four years later.

So, having considered all the submissions made in this case, and in the absence of any extra evidence from Mr E to the contrary, I have seen insufficient evidence to think that a more thorough affordability check would have led Vanquis to think that the credit it provided Mr E was unreasonable. Further, I'm not persuaded that what Vanquis could see of his management of other credit ought to have prompted it to have acted differently than it did.

I know that Mr E will be disappointed with my decision. But I want Mr E to know that I listened to all the submissions made in this case. Having done so, I have not found sufficient evidence to uphold this complaint.

My final decision

For the reasons given above, I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr E to accept or reject my decision before 10 June 2022.

Douglas Sayers
Ombudsman