

## **The complaint**

Miss T complains that Vanquis Bank Limited ('Vanquis') irresponsibly gave her a credit card account that she couldn't afford.

## **What happened**

On 23 March 2017, Miss T applied for a credit card account with Vanquis. She was given an initial credit limit of £1000. The credit limit was increased on 22 August 2017 to £2000.

In 2021, Miss T complained to Vanquis to say that the account shouldn't have been opened for her because it wasn't affordable and that Vanquis ought to have made a better effort to understand her financial circumstances before giving her credit.

Our adjudicator didn't recommend the complaint be upheld. Miss T 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.

Miss T's complaint is that Vanquis made credit available that was unaffordable. Vanquis has explained that it used, among other things, a credit reference agency to determine the amount of credit it was able to offer at each stage of its lending, as well as the information it had on how Miss T was managing her account. It's possible that Vanquis failed to make adequate checks before providing Miss T with credit. But even if that's true, I don't think better enquiries would have caused Vanquis to think the initial credit limit or the increase were unaffordable.

I say this because at the point that she applied for the credit card Miss T told Vanquis that whilst she was working full time with a salary of £18,000 a year. The initial credit limit was modest and the maximum monthly payments for that credit were also relatively modest and up to the credit increase Miss T was not using anywhere near the initial credit limit. And there was nothing from the credit reference agency that made the credit automatically unreasonable or that would have put Vanquis off supplying either the credit or the credit increase had they known about them at the time.

And whilst Miss T told us that by the time of the credit increase she was not working, the bank statements that Miss T has provided show that Miss T had a good regular income from benefits. And the statements also show that Miss T's bank account was largely well managed up to August 2017 when the credit increase happened; mostly the money in to the account matched the money leaving it, some months more some months less, and the balance was in credit mostly. Overall, there was nothing in the bank statements sufficient to have put Vanquis off providing credit to Miss T up to August 2017. And there were no new adverse markings that may have pointed to financial difficulty at that time.

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

I know that Miss T will be disappointed with my decision. But I want Miss T to know that I considered 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 Miss T to accept or reject my decision before 3 August 2022.

Douglas Sayers  
**Ombudsman**