

The complaint

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

What happened

On 12 March 2019, Mr P applied for and was given a credit card account with Vanquis. Mr P was given an initial credit limit of £500. This credit limit was never increased.

In 2022, Mr P 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 P 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 P's complaint is that Vanquis made credit available that was unaffordable. Vanquis has explained that it carried out a credit check to determine the amount of credit it was able to offer. Vanquis checked Mr P's credit record to see how he had been managing his credit with other providers. And it used information that Mr P declared in his application to assess affordability. Considering the modest nature of the credit it then provided Mr P, I think these checks were, in this case, proportionate.

But even if that wasn't true, I don't think better enquiries would have caused Vanquis to think the credit was unaffordable.

I say this because Mr P told Vanquis that he worked full time as a permanent employee and earned a good salary. Mr P's bank statements show that Mr P's account enjoyed an income that was both regular and not modest. And the statements for the months prior to the lending decision suggest that whatever other monthly commitments Mr P may have

had for other credit, the total income each month was roughly the same as his monthly expenditure and was in credit.

I have noted that Mr P's credit file shows that he had some accounts in default in 2018. But Mr P's more recent record was clean and the historic payment issues probably accounts for the modesty of the initial credit limit. And that credit limit was never increased. So, overall, I have seen insufficient evidence that better information would have put Vanquis off providing this reasonably modest credit on this credit card at that time.

So, having considered all the submissions made in this case, and in the absence of any extra evidence from Mr P 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 P 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 P will be disappointed with my decision. But I want Mr P to know that I have 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 Mr P to accept or reject my decision before 21 November 2022.

Douglas Sayers
Ombudsman