

## **The complaint**

Miss P complains that Vanquis Bank Limited lent to her irresponsibly.

## **What happened**

In October 2021 Miss P applied for a credit card with Vanquis. Vanquis approved the application and gave Miss P a card with an initial credit limit of £250. There were no further credit limit increases.

Miss P complained to Vanquis that it had lent to her irresponsibly. Vanquis didn't uphold the complaint. It said it had carried out proportionate checks before approving the card.

Miss P wasn't happy with the response and brought her complaint to this service.

Our investigator didn't uphold the complaint. He said that Vanquis had carried out reasonable and proportionate checks and that the lending decisions was fair.

Miss P didn't agree so I've been asked to make a final decision.

## **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.

Our approach to complaints about irresponsible and unaffordable lending is set out on our website. I've had this approach in mind when considering Miss P's complaint.

Before agreeing to lend, the rules say that Vanquis had to carry out reasonable and proportionate checks to ensure that Miss P could afford to repay the credit. The nature of what's considered reasonable and proportionate will vary but could include things like the amount of credit, the total sum repayable, the amount of repayments, the cost of the credit and the consumers financial circumstances.

There's no set list of checks a lender must complete. But lenders are required to consider the factors I've mentioned above when considering what's reasonable and proportionate.

Miss P declared annual income of £16,000 in her application. Vanquis carried out an income and expenditure assessment and obtained further information by carrying out a credit search. The credit search showed that Miss P had other credit totalling around £100 across three active accounts. It also showed that Miss P had previously defaulted on an account around 38 months prior to the application, and that a county court judgment had been registered around 22 months prior to the application.

Based on what I've seen, I think the checks carried out by Vanquis were reasonable and proportionate, considering Miss P's circumstances and the low credit limit. There was nothing in the information gathered by Vanquis to suggest that Miss P was in financial difficulties or that further checks were needed.

I've gone on to consider whether the lending decision was fair. I've reviewed the information gathered by Vanquis. Although there was some adverse information on Miss P's credit file, this was historic, so I don't think this would've been a reason for Vanquis not to lend to Miss P. The card had a low credit limit of £250. If Miss P had fully utilised this credit limit, the minimum repayments would've been around £28 per month. Based on the information I've seen about Miss P's financial circumstances, I think Vanquis fairly concluded that the lending was likely to be affordable for Miss P and that she would be able to sustainably repay it.

For the reasons I've given I'm unable to uphold the complaint.

### **My final decision**

My final decision is that I don't uphold the complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss P to accept or reject my decision before 3 July 2023.

Emma Davy  
**Ombudsman**