

## The complaint

Mr H complains that Vanquis Bank Limited ('Vanquis') irresponsibly gave him a loan that he couldn't afford.

## What happened

On 12 July 2022, Mr H asked for and was given a loan for £3,000 which had a term of two years.

In 2023, Mr H complained to Vanquis to say that the loan 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 providing him with credit. Vanquis declined to uphold the complaint. And Mr H brought his complaint to this service.

Our investigator thought the complaint should not be upheld. Mr H didn't agree. So, the complaint was 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 H's complaint is that Vanquis made credit available that was unaffordable. Vanquis has explained that it relied in part on information that Mr H provided at the time of application to assess affordability. The income and expenditure exercise that took place before the lending suggested that the new borrowing was affordable. Vanquis said they also carried out a credit search in Mr H's name to assess Mr H's level of debt at that time and to understand how he had been managing that debt. That seems like proportionate checks for a loan amount that was reasonably modest, in itself and in relation to Mr H's declared income. With that information and using their own scoring metric, Vanquis decided to agree to the loan.

The Vanquis checks showed that Mr H's credit file was clean *at the time of the loan* application. When I say this, I mean that Mr H's management of his existing credit showed no *recent* history of CCJs, defaults or bankruptcies. There was some evidence of

historic adverse credit history, but the most recent of those was over 57 months prior to this application for credit.

Mr H has explained that he was in a debt management plan at that time. So, whilst that can be considered a sign of financial difficulty, it also looks like Mr H was taking steps, that could be termed sensible, to manage his existing debt. So, in this case, that has not been sufficient to persuade me that further lending was automatically unreasonable.

It may be that not all of Mr H's credit was showing on the credit search they completed. But Vanquis did a credit search and made other enquiries detailed above before lending to Mr H. And, it would have seemed to Vanquis from the information they had from credit reference agencies that, at the point that the lending decision was made, Mr H was affording his recent existing credit. And so, Vanquis were not put on notice of any reason not to agree the lending from that. And so, I have seen insufficient evidence that the other information that Vanquis acquired or had presented to it at the time of the lending decision, would have led them to think that they were remiss in not checking Mr H's finances more closely before they lent money to him.

And I have seen no evidence that Mr H made Vanquis aware of his gambling at the time the loan was applied for. The evidence that Vanquis had presented to it by Mr H and that they sourced for themselves at the time, suggested that gambling was not a reason to decline the loan at the time they made their lending decision.

I know that Mr H will be disappointed with my decision, in itself and because he has invested time and energy in pursuing his complaint. But I want Mr H to know that I considered all the submissions made in this case. But having considered all the submissions in this case, particularly those at the time of the lending decision, I have not found sufficient evidence to uphold this complaint. I have seen insufficient evidence to think that the credit Vanquis are responsible for was unreasonable.

### **My final decision**

For the reasons given above, I'm not upholding this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr H to accept or reject my decision before 8 February 2024.

Douglas Sayers  
**Ombudsman**