

## **The complaint**

Mr D complains that Vanquis Bank Limited irresponsibly lent to him.

Mr D is represented by a solicitor's firm in bringing this complaint. But for ease of reading, I'll refer to any submission and comments they have made as being made by Mr D himself.

## **What happened**

Mr D was approved for a Vanquis credit card in January 2020 with a £250 credit limit. Mr D says that Vanquis irresponsibly lent to him, and he made a complaint to Vanquis, who did not uphold his complaint. Vanquis said appropriate checks were made which were proportionate to the amount of credit being granted. Mr D brought his complaint to our service.

Our investigator did not uphold Mr D's complaint. He said that Vanquis made a fair lending decision. Mr D asked for an ombudsman to review his complaint. He said that further checks would have shown online gambling transactions, a returned direct debit, and additional gambling transactions before his account was suspended in 2022. He also said he had other debt at the time his account was opened, and he'd had County Court Judgements (CCJ's) and defaults which should have been considered alongside his reliance on credit.

## **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.

Before agreeing to approve the credit available to Mr D, Vanquis needed to make proportionate checks to determine whether the credit was affordable and sustainable for him. There's no prescribed list of checks a lender should make. But the kind of things I expect lenders to consider include - but are not limited to: the type and amount of credit, the borrower's income and credit history, the amount and frequency of repayments, as well as the consumer's personal circumstances. I've listed below what checks Vanquis have done and whether I'm persuaded these checks were proportionate.

I've looked at what checks Vanquis said they did when initially approving Mr D's application. Vanquis said they completed a credit check with a Credit Reference Agency (CRA) and information that Mr D had provided them before approving his application.

The information showed that Mr D declared a net monthly income of £2,400. But the information also showed Mr D had previously defaulted on credit agreements, with the last default being registered 28 months prior to his application. There were also CCJ's showing on the checks, with the last one showing as being registered 12 months prior to the account opening checks.

It may help to explain here that, while information like a default or CCJ's on someone's credit file may often mean they're not granted further credit – they don't automatically mean that a

lender won't offer borrowing. So I've looked at what other checks Vanquis made to see if they made a fair lending decision.

The checks showed that Mr D had total outstanding active unsecured balances of £624. So based on Mr D's declared income, it wouldn't appear that Mr D was over-indebted at the time Vanquis completed their checks.

The checks showed that none of Mr D's active accounts were in arrears at the time the opening checks were completed, and they hadn't been in the previous 12 months. Vanquis would have been able to see that Mr D had no active credit cards being reported by the CRA they used.

The £250 credit limit would have equated to less than 1% of Mr D's annual net income he declared to Vanquis, which I'm not persuaded was excessive given that he had no active credit cards when the checks were made.

Vanquis also completed an affordability calculation with expenditure information Mr D gave them, but it appears they used higher figures to assess Mr D's living costs. They also factored in the credit commitments he had, and would have after this account was approved, and they determined that Mr D had a sufficient disposable income to be able to sustainably afford repayments for a £250 credit limit.

So I'm persuaded that the checks Vanquis carried out were proportionate for the amount of credit they approved for Mr D, and I'm persuaded they made a fair lending decision to approve his application.

I've considered what Mr D has said what further checks would have shown, however, based on the reasons I've given, it wouldn't have been proportionate for Vanquis to complete further checks here, so it wouldn't be reasonable to expect them to ask for his bank statements based on what the checks showed.

I've also considered whether the relationship might have been unfair under s.140A of the Consumer Credit Act 1974. However, for the reasons I've already given, I can't conclude that Vanquis lent irresponsibly to Mr D or otherwise treated him unfairly in relation to this matter. I haven't seen anything to suggest that Section 140A would, given the facts of this complaint, lead to a different outcome here. So it follows I don't require Vanquis to do anything further.

### **My final decision**

I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr D to accept or reject my decision before 27 March 2025.

Gregory Sloanes  
**Ombudsman**