

The complaint

Mr M complains that Vanquis Bank Limited reduced the limit on his credit card.

What happened

Mr M holds a credit card with Vanquis.

On 16 March 2024 Mr M contacted Vanquis and said he had seen a video about the importance of taking incremental steps to manage debt effectively. He asked to reduce his credit limit to £500 but said he wanted to do this step by step. At the time, Mr M's credit limit was £1200, and he requested a reduction of £150. The advisor informed Mr M that his request had been processed.

On 18 March 2024 Mr M contacted Vanquis and requested another reduction of his credit limit by £50. The advisor informed Mr M that his request had been processed.

On 19 March 2024 Mr M contacted Vanquis and requested the cancellation of the reduction of £50 that he'd requested the previous day. The advisor informed Mr M that the request had been forwarded to a supervisor and said it should be processed within an hour.

On 28 March 2024 Mr M contacted Vanquis and complained that his credit limit had been reduced by £50 despite his request to cancel the reduction.

Vanquis looked into Mr M's complaint and upheld it. It said it would provide feedback to the advisor and paid compensation of £25.

Mr M remained unhappy and brought his complaint to this service. He said that Vanquis only allowed him to reduce his credit limit by £50 or £100 and that it took them too long to process a reduction in the credit limit.

Our investigator didn't uphold the complaint. She said that although Vanquis had made an error by not cancelling Mr M's credit limit reduction request in March 2024, the compensation it had paid for this error was fair and she was satisfied that since March 2024 Mr M had been able to gradually reduce his credit limit from £1200 to the current limit of £750.

Mr M didn't agree so I've been asked to review the complaint.

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 know that it will disappoint Mr M, but I agree with the investigators opinion. I'll explain why.

I've read and considered the whole file, but I'll concentrate my comments on those points which are most relevant to my decision. If I don't comment on a specific point, it's not because I've failed to take it on board and think about it, but because I don't think I need to comment on it in order to reach what I think is the right outcome.

Vanquis doesn't dispute that it made an error here. It has acknowledged that Mr M wanted the £50 credit limit decrease request to be cancelled, and it has acknowledged that it failed to cancel it. Vanquis has said that it could've provided better service to Mr M in this respect and has paid compensation of £25.

Mr M has raised some further issues. He's said that Vanquis has informed him that he can only decrease his credit limit in increments of £50 or £100. This service asked Vanquis about this, and it has explained that this isn't correct. It explained that the credit limit reduction process is that it uses a verification calculator to determine whether the reduction requested is acceptable before proceeding with the request. Vanquis has stated that Mr M has requested a credit limit reduction several times since March 2024 and these requests have been processed.

I've reviewed the account, and I can see that Mr M's credit limit has incrementally reduced from £1200 to £750 in line with his requests. Based on what I've seen, I don't think Vanquis has treated Mr M unfairly or unreasonably. I haven't seen anything to suggest that the credit limit can only be reduced by increments of £50 or £100, and I note that the first credit limit reduction in March 2024 was a reduction of £150, which was in accordance with Mr M's request.

I understand that Mr M is trying to reduce his credit limit gradually as part of a strategy to manage his finances. Mr C has said that Vanquis has made it difficult for him to reduce his credit limit. Based on my review of the account, I haven't seen any evidence to suggest that Vanquis has unreasonably refused Mr M's requests to reduce his credit limit.

Taking all the available information into account, I'm satisfied that the compensation paid by Vanquis for the error in March 2024 is fair and reasonable. I haven't found any evidence of further errors, and I haven't seen anything which persuade me that Vanquis has treated Mr M unfairly. Therefore, I won't be asking Vanquis to do anything further.

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 Mr M to accept or reject my decision before 19 March 2025.

Emma Davy
Ombudsman