

## **The complaint**

Mrs H complains that Vanquis Bank Limited have irresponsibly lent to her.

Mrs H 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 Mrs H herself.

## **What happened**

Mrs H was approved for a Vanquis credit card which was opened in March 2018 with a £1,000 credit limit. The credit limit was increased to £2,000 in July 2018, and it was increased to £2,750 in May 2022.

Mrs H says that Vanquis irresponsibly lent to her. Mrs H made a complaint to Vanquis, but Vanquis did not uphold her complaint. They said they made fair lending decisions. Mrs H brought her complaint to our service.

Our investigator did not uphold Mrs H's complaint. She said Vanquis made fair lending decisions. Mrs H asked for an ombudsman to review her complaint. The solicitor's firm she used gave rationale for a different complaint though, as opposed for her reasoning for an ombudsman 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.

As Mrs H's representative gave our service points they wanted addressing on a different complaint, I asked them to provide any final points they wanted me to consider for Mrs H's complaint. But they did not respond prior to the deadline I set, therefore I'm unable to consider any specific points Mrs H may have wanted me to address.

Before agreeing to approve or increase the credit available to Mrs H, Vanquis needed to make proportionate checks to determine whether the credit was affordable and sustainable for her. 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.

### *Acceptance for the Vanquis credit card*

I've looked at what checks Vanquis said they did when initially approving Mrs H's application. I'll address the credit limit increases later on. Vanquis said they looked at information provided by a Credit Reference Agency (CRA) and information that Mrs H had provided before approving her application.

The information showed that Mrs H had declared a gross annual income of £15,000 and she was full time employed. The CRA Vanquis used did not report any defaulted accounts or any

County Court Judgements (CCJ's).

Mrs H was showing as having active unsecured debt of around £6,443, with the majority of this (£5,442) being on a credit/store card. Mrs H was showing as not being in arrears or any arrangement plans on any of her accounts at the time of Vanquis' checks, and she hadn't been in arrears or in any arrangement plans in the previous 12 months on her accounts.

So I'm persuaded that the checks Vanquis completed were proportionate, and as Mrs H was showing no recent adverse credit history, then I'm persuaded that Vanquis made a fair lending decision to approve the account and provide her with a £1,000 credit limit.

*July 2018 credit limit increase - £1,000 to £2,000*

I've looked at the information available to Vanquis as part of this lending decision. The data from the CRA showed that Mrs H's total active unsecured debt was £7,739, which was slightly higher than at the account opening stage.

But the CRA reported Mrs H had no arrears on any active accounts, and she didn't have any arrears since her Vanquis account had been opened. Vanquis would have also been able to see how Mrs H managed her account with them since it had been opened.

Mrs H incurred two late payment fees shortly after her account had been opened. So this could have been a sign of financial difficulty. Or they could have been oversights from Mrs H. Here it does appear that the late payments were oversights, and I'll explain why.

When Mrs H incurred the late payment fees, she made repayments to her account within three days of each late fee being incurred, which could suggest that Mrs H had simply forgotten to make her repayment. In addition to this, the repayments Mrs H made were more than what her minimum repayment would have been, so I wouldn't have expected Mrs H to be able to make higher repayments if she was struggling financially at the time.

The data shows Mrs H wasn't utilising the majority of the credit available to her on her Vanquis account at the time she incurred the late fees, so she didn't appear to be hungry for credit. Apart from the two occasions of late payments, Mrs H didn't make any late payments prior to the credit limit being increased to £2,000. Her repayments were generally higher than the minimum requested repayment.

So I'm persuaded that Vanquis' checks were proportionate here, and they made a fair lending decision to increase Mrs H's credit limit to £2,000.

*May 2022 credit limit increase - £2,000 to £2,750*

The data from the CRA showed that Mrs H's total active external unsecured debt was £12,073, so this was higher than what it was at the last lending decision. But the CRA Vanquis used showed that Mrs H was in arrears on an account at the time of the checks.

There's also the possibility, based on the data the CRA gave Vanquis that Mrs H was in an arrangement to pay on one of her accounts. This would usually occur when a borrower can't afford to repay the contractual payments on an account. But I also note that the total value of Mrs H's accounts are showing as £14,000, which is different to the £12,073 on the earlier table from Vanquis' data. And as this row is undated, I can't fairly say Mrs H definitely was in an arrangement to pay. But I do think further investigation should have been completed by Vanquis to ensure the credit limit increase was affordable and sustainable for Mrs H.

There's no set way of how Vanquis should have made further proportionate checks. One of

the things they could have done was to contact Mrs H to find out why she was in arrears on an account, and to ensure the credit limit increase was affordable for her. Or they could have asked for her bank statements as part of a proportionate check to ensure the lending was sustainable and affordable for her.

So I asked Mrs H if she could provide her bank statements leading up to this lending decision. These would enable me to see if Mrs H was showing signs of financial difficulty, and if the proposed £2,750 credit limit would be affordable and sustainable for her. But Mrs H confirmed she didn't have access to that account anymore.

So on the face of it, it does look like Vanquis should've looked more closely into this. But as my role is impartial, that means I have to be fair to both sides and although I'm satisfied that Vanquis should've done more checks here – I can't say whether further checks would've revealed further information which means they wouldn't have lent. So as Mrs H hasn't been able to provide me with the information I asked her for, that means that it wouldn't be fair for me to say that Vanquis shouldn't have lent here, because I don't know what further checks would reveal.

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 Mrs H or otherwise treated her 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 Mrs H to accept or reject my decision before 29 July 2025.

Gregory Sloanes  
**Ombudsman**