

## The complaint

Mr M complains that Vanquis Bank Limited lent irresponsibly when it approved his credit card application and later increased the limit.

## What happened

Mr M applied for a Vanquis credit card in March 2014. In his application, Mr M said he was self employed with an income of £40,000. Vanquis carried out a credit search and found Mr M had some defaults, the newest of which were 36 months old. Vanquis says it applied its lending criteria and carried out an affordability assessment but due to the passage of time the results are no longer available. Vanquis approved Mr M's application and issued a credit card with a £500 limit.

Vanquis went on to increase the credit limit as follows:

Event	Date	Limit
App	Mar-14	£500
CLI1	Aug-14	£1,000
CLI2	Oct-15	£2,000
CLI3	Mar-16	£3,000
CLI4	Jul-17	£3,500
CLI5	Feb-18	£4,000

Mr M's account later fell into arrears and was closed at default.

Last year, representatives acting on Mr M's behalf complained that Vanquis lent irresponsibly and it issued a final response. Vanquis said Mr M had waited too long to complain and didn't comment on the lending decisions it made.

When Mr M's complaint was referred to this service Vanquis consented to us considering the full merits of his case and provided the available information. But the lending data provided doesn't include the affordability assessments it used when considering whether to lend. An investigator asked Mr M's representatives to provide bank statements for the months before his application and each credit limit increase. Mr M's representatives have explained his bank statements are no longer available. The investigator assessed Mr M's complaint based on the available information. Overall, they weren't persuaded Vanquis lent irresponsibly and didn't uphold his complaint. Mr M asked to appeal, so his complaint has been passed to me to make a 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.

Before agreeing to lend or increasing the credit limit, the rules say Vanquis had to complete reasonable and proportionate checks to ensure Mr M could afford to repay the debt in a sustainable way. These affordability checks needed to be focused on the borrower's circumstances. The nature of what's considered reasonable and proportionate will vary depending on various factors like:

- The amount of credit;
- The total sum repayable and the size of regular repayments;
- The duration of the agreement;
- The costs of the credit; and
- The consumer's individual circumstances.

That means there's no set list of checks a lender must complete. But lenders are required to consider the above points when deciding what's reasonable and proportionate. Lenders may choose to verify a borrower's income or obtain a more detailed picture of their circumstances by reviewing bank statements for example. More information about how we consider irresponsible lending complaints can be found on our website.

As noted above, Vanquis hasn't been able to supply the affordability data it used when considering whether to lend to Mr M both at the application and credit limit stages. Businesses aren't required to retain information indefinitely and I'm satisfied the affordability information no longer remains. In much the same way, Mr M's representatives have confirmed his bank statements are no longer available so he's been unable to provide them. As a result, I've based my decision on the available information which includes some basic application information and the details Vanquis obtained from Mr M's credit file.

I can see that Mr M told Vanquis he was self employed with an annual income of £40,000 in the application. The credit file information shows Mr M had a reasonably high amount of defaulted debt. But the most recent default was three years old and there was no other adverse credit like County Court Judgements found. The credit file showed Mr M had a mortgage with monthly repayments of £781 that was free from arrears. Mr M had a communications account showing, but no other unsecured credit.

I think it's reasonable to note the initial credit limit of £500 was modest which limited the risk of financial harm to Mr M. Overall, I think the decision to approve Mr M's credit card with a £500 limit was reasonable based on the information Vanquis has provided. I haven't been persuaded Vanquis lent irresponsibly when it approved Mr M's application.

I'll deal with all the credit limit increases together. The credit file information provided by Vanquis shows that throughout the period it was increasing Mr M's credit limit he had no other unsecured debts. There were no new defaults or other adverse credit recorded on Mr M's credit file during this time. And the value of Mr M's defaults was reducing over time, along with his mortgage balance. In my view, Mr M's credit file information indicates he was managing his finances and I've seen no evidence of unsustainable debt levels.

I've looked at Mr M's account history with Vanquis as well. I can see there were late and overlimit fees applied to Mr M's account by Vanquis. But Mr M's account was up to date with no fees applied in any of the months preceding the credit limit increases.

I'm very sorry to disappoint Mr M but in the absence of further evidence from both parties, I'm unable to reach the conclusion Vanquis lent irresponsibly. In my view, the credit file information showed Mr M wasn't overcommitted in terms of his other credit and shows the default balance was reducing over time. Mr M's mortgage remained up to date and he had no other debts during the period Vanquis was increasing his credit limit. Whilst I can see evidence of fees on Mr M's Vanquis account, I'm satisfied they were taken into account

before increasing his credit limit. Based on the available information, I haven't been pursued Vanquis lent irresponsibly.

I've considered whether the business acted unfairly or unreasonably in any other way including whether the relationship might have been unfair under Section 140A of the Consumer Credit Act 1974. However, for the reasons I've already given, I don't think Vanquis lent irresponsibly to Mr M or otherwise treated him unfairly. I haven't seen anything to suggest that Section 140A or anything else would, given the facts of this complaint, lead to a different outcome here.

### **My final decision**

My decision is that I don't uphold Mr M's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr M to accept or reject my decision before 12 August 2025.

Marco Manente  
**Ombudsman**