

## The complaint

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

Mrs C is represented by her daughter in bringing this complaint. But for ease of reading, I'll refer to any submission and comments she has made as being made by Mrs C herself.

## What happened

Mrs C was approved for a Vanquis credit card which was opened in January 2014 with a £500 credit limit. I have detailed the credit limit changes below:

May 2014	£500 to £1,000
February 2015	£1,000 to £1,750
October 2015	£1,750 to £2,500
October 2016	£2,500 to £3,000
December 2017	£3,000 to £3,500
July 2018	£3,500 to £4,000

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

Our investigator did not uphold Mrs C's complaint. He said Vanquis hadn't acted irresponsibly. Mrs C asked for an ombudsman to review her 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.

Before agreeing to approve or increase the credit available to Mrs C, 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 C'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 C had provided before approving her application.

The information showed that Mrs C had declared a household income of £40,000 and she was retired. But that's not all Vanquis's data showed. The data also showed that Mrs C had previously defaulted on an account 21 months earlier.

It may help to explain here that, while information like a default 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 Vanquis' other checks showed to see if they made a fair lending decision here.

The CRA Vanquis used did not report any active unsecured debt. But as Vanquis only recorded Mrs C's household income instead of her own gross annual income, I'm persuaded that they should have completed further checks to ensure she could afford repayments for a £500 credit limit. I say this as only she would be responsible for repayments on the account, not anybody else in her household.

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 C to find out what her gross annual income was. 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 C if she could recall what her gross annual income was in January 2014. And I requested her bank statements leading up to this lending decision in the event she couldn't recall this, as this would show what credited her account. But Mrs C did not provide the information to me by the deadline given, even though I extended the deadline for her.

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 C hasn't provided 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.

#### *May 2014 credit limit increase - £500 to £1,000*

I've looked at the information available to Vanquis as part of this lending decision. The information showed that Mrs C appeared to have managed her Vanquis account well since it was open. There were not any late/missed payments or overlimit fees charged since the account had been opened. The repayments Mrs C made appeared to be for more than the minimum repayment also at times.

The data from the CRA showed that Mrs C's total active external unsecured debt was £0. But the CRA reported Mrs C had an active mortgage balance. But the information from the CRA showed it had only been one month since Mrs C had been two months in arrears on an account. So this could be an indicator Mrs C was having financial difficulty.

So again I asked Mrs C to provide her bank statements leading up to this lending decision, however, she didn't provide these by the deadline given, even though I provided an extension for her.

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again I can't say whether further checks would've revealed further information which means Vanquis wouldn't have lent. So 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.

*February 2015 credit limit increase - £1,000 to £1,750*

Mrs C had incurred two overlimit fees since the last lending decision, and she had exceeded her credit limit in three of the months since the last lending decision. So this could be a sign of financial difficulty. Or they could have been genuine oversights.

The data from the CRA showed that Mrs C's total active external unsecured debt was £0. But the CRA reported Mrs C had an active mortgage balance. But the information from the CRA showed it had only been two months since Mrs C had been two months in arrears on an account. So this could be an indicator Mrs C was having financial difficulty.

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*October 2015 credit limit increase - £1,750 to £2,500*

Mrs C had incurred three overlimit charges since the last lending decision. So again this could be a sign of financial difficulty. Or they could have been genuine oversights.

The data from the CRA again showed that Mrs C's total active external unsecured debt was £0. But the information from the CRA showed it had only been one month since Mrs C had been two months in arrears on an account. So this could be an indicator Mrs C was having financial difficulty.

So again I asked Mrs C to provide her bank statements leading up to this lending decision, however, she didn't provide these by the deadline given, even though I provided an extension for her.

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*October 2016 credit limit increase - £2,500 to £3,000*

Mrs C had incurred three overlimit charges since the last lending decision, and a late payment fee. So again this could be a sign of financial difficulty. Or it could have been a result of poor account management.

The data from the CRA again showed that Mrs C's total active external unsecured debt was £0. But the information from the CRA showed it had only been one month since Mrs C had been two months in arrears on an account. So again, this could be an indicator Mrs C was having financial difficulty.

So again I asked Mrs C to provide her bank statements leading up to this lending decision,

however, she didn't provide these by the deadline given, even though I provided an extension for her.

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*December 2017 credit limit increase - £3,000 to £3,500*

Mrs C had incurred four overlimit fees since the last lending decision, and a late payment fee. So again this could be a sign of financial difficulty. Or again it could have been a result of poor account management.

The data from the CRA again showed that Mrs C's total active external unsecured debt was still £0. But the information from the CRA showed it had only been two months since Mrs C had been two months in arrears on an account. So again, this could be an indicator Mrs C was having financial difficulty.

So again I asked Mrs C to provide her bank statements leading up to this lending decision, however, she didn't provide these by the deadline given, even though I provided an extension for her.

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*July 2018 credit limit increase - £3,500 to £4,000*

Mrs C had not incurred any overlimit fees or late payment fees since the last lending decision, although I do note she exceeded her credit limit in one month since the last lending decision.

The data from the CRA again showed that Mrs C's total active external unsecured debt was still £0. But the information from the CRA showed again it had only been two months since Mrs C had been two months in arrears on an account. So again, this could be an indicator Mrs C was having financial difficulty.

So again I asked Mrs C to provide her bank statements leading up to this lending decision, however, she didn't provide these by the deadline given, even though I provided an extension for her.

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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 C 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 C to accept or reject my decision before 24 June 2025.

Gregory Sloanes  
**Ombudsman**