

The complaint

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

Mr C 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 C himself.

What happened

Mr C was approved for a Vanquis credit card in August 2022 with a £1,200 credit limit. Mr C says that Vanquis irresponsibly lent to him, and he made a complaint to Vanquis, who did not uphold his complaint as they said their lending was not irresponsible. Mr C brought his complaint to our service. Our investigator did not uphold Mr C's complaint. He said that Vanquis made a fair lending decision.

Mr C asked for an ombudsman to review his complaint. He said that he was unemployed at the time of the checks, further reducing his ability to sustain repayments. Mr C said that he was already in an overdraft at the time, which Vanquis failed to acknowledge. He said Vanquis should have completed a deeper review of his credit commitments and looked at his real time transactions on his bank account.

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 C, 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 C's application. Vanquis said they completed a credit check with a Credit Reference Agency (CRA) and information that Mr C had provided them before approving his application.

The information showed that Mr C declared a net monthly income of £1,050. He did not tell Vanquis he was unemployed, as he told them he was retired. There were no defaults or County Court Judgements (CCJ's) being reported by the CRA that Vanquis used.

The checks showed that Mr C had total outstanding unsecured balances of £6,236. But the CRA also reported how much Mr C's monthly credit commitments were. Vanquis used this information along with information from Mr C and modelling to complete an affordability assessment. This showed that Mr C would have the affordability to make sustainable repayments for a £1,200 credit limit.

None of Mr C's accounts were in arrears at the time of the checks, and none of his accounts had been in arrears for the 12 months prior to the checks. Mr C had a £150 overdraft limit being reported by the CRA. But the CRA did not report that Mr C was overdrawn at the time of the checks.

So it would not be proportionate for Vanquis to request Mr C's bank statements, and there is no requirement for them to check real time transactions prior to each lending decision they make.

So I'm persuaded that the checks Vanquis carried out were proportionate for the amount of credit they approved for Mr C, and I'm persuaded they made a fair lending decision to approve his application and give him a £1,200 credit limit.

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 C 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 C to accept or reject my decision before 13 June 2025.

Gregory Sloanes
Ombudsman