

The complaint

Mr N complains that Vanquis Bank Limited lent to him irresponsibly in relation to a credit card account.

What happened

In April 2010, Mr N was provided with a credit card by Vanquis with a limit of £500; the credit limit was never increased. Several years after opening the credit card, in July 2024, Mr N complained to Vanquis. In summary, he said it had irresponsibly lent to him and that sufficient checks – to ensure his affordability status – hadn't been undertaken.

Vanquis didn't uphold the complaint. It said, in summary, that Mr N had complained too late; it referenced rules which require complaints to be raised within six years of the event being complained about or – if later – within three years from the point that the complainant became aware, or ought reasonably to have become aware, that they had cause for complaint.

Mr N referred his complaint to this Service for independent review. An Investigator here considered what had happened; having done so, they thought we could consider Mr N's complaint. Vanquis ultimately agreed, and it gave consent for us to investigate. Our Investigator looked at the merits of Mr N's complaint; they didn't think Vanquis had done something wrong. In short, the Investigator said:

- The checks carried out by Vanquis were proportionate in the circumstances.
- The information gathered as a result of those checks wouldn't have given Vanquis any cause for concern. Instead, there was nothing to show that Mr N was struggling financially and/or wouldn't be able to afford the repayments of this credit card.
- Given the checks Vanquis carried out were proportionate, it wouldn't have needed to undertake further review or ask for more in-depth information – like obtaining Mr N's bank statements or verifying his income – in such circumstances.
- Overall, Vanquis hadn't acted unfairly or unreasonably in giving Mr N this credit card.

Mr N disagreed, and he maintained that he'd been irresponsibly lent to. Specifically, he stated that Vanquis should've carried out a more in-depth review of his circumstances; if it had, Vanquis would've seen this credit card was unaffordable for him.

As no agreement has been reached, Mr N's complaint has now been passed to me to decide.

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.

Having done so, I agree with the findings of our Investigator for largely the same reasons. To explain, the rules and regulations in place at the time Mr N was provided with the credit

required Vanquis to carry out a reasonable and proportionate assessment. That's to determine whether he could afford to repay what he owed in a sustainable manner. This practice is sometimes referred to as an 'affordability assessment' or 'affordability check'.

The checks had to be borrower focussed; that is, relevant to Mr N. So, Vanquis had to think about whether repaying the credit sustainably would cause difficulties, or other adverse consequences. In other words, Vanquis had to consider the impact of any repayments on Mr N.

Checks also had to be 'proportionate' to the specific circumstances of the lending. In general, what constitutes a proportionate affordability check will be dependent on a number of factors including – but not limited to – the particular circumstances of the consumer (e.g: their financial history, current situation and outlook, any indications of vulnerability or financial difficulty) and the amount/type/cost of credit they were seeking. I've kept all of this in mind when thinking about whether Vanquis did what it needed to before agreeing to lend to Mr N.

Here, before agreeing to lend, Vanquis undertook a credit check and relied upon information provided by Mr N in his application. I've been provided the results of Vanquis' checks and, in my view, the data it gathered didn't suggest that there was any cause for concern. Rather, information from Credit Reference Agencies ("CRAs") didn't show any recent defaults or County Court Judgements ("CCJs"); Mr N only had around £400 in other commitments outstanding at the time, and he'd declared that he was employed with an annual income of £36,000. With all of that in mind, considering the modest size of the credit limit provided here at £500, and noting that neither CRA data, nor application data, raised any concerns, I think the checks undertaken by Vanquis before lending to Mr N were proportionate.

I will acknowledge, at this point, that I noted how Mr N did appear to have some past defaults and CCJs. That said, these were historic at the time of lending, the last having occurred some two years prior. In any event, at this initial stage of lending, Vanquis wouldn't necessarily have had sight of that information; the level of checks it carried out wouldn't inevitably have revealed it. To be clear, I don't think that's a failing on Vanquis' part – particularly given the amount being lent. The fact is that I wouldn't have expected Vanquis to do any further checks, or verification, for Mr N at this stage. Even if Vanquis had seen such information, though, given how historic it was, I don't find it likely that Vanquis' decision to lend to Mr N here would've been different.

I know Mr N has also raised that he had a heart condition, and that he was, in fact, unemployed at the time of lending; but Vanquis wouldn't have known any of that given the information he'd provided and it itself gathered. Again, it didn't need to carry out any verification of his circumstances here, nor did Mr N tell Vanquis about those issues at the time. So, those points don't make a difference to my findings.

To sum up then, having thought about the information gained through Vanquis' checks, I can't fairly say that providing Mr N with a £500 credit card was irresponsible. Nothing in the data gained about his income and expenditure, nor his management of other outstanding credit commitments at the time, suggested the lending would be unaffordable. I am sorry to disappoint Mr N; I know this won't be the outcome that he's hoping for, and I certainly don't mean to downplay the impact he's said this matter has had. But it's for the reasons I've

explained that I don't think Vanquis acted unfairly or unreasonably here. It follows that I'm not upholding this complaint.

Separately, whilst I'm not upholding the complaint, I do want to remind Vanquis of its obligations to exercise forbearance moving forward. I would certainly encourage Mr N to keep in regular contact with Vanquis about any difficulties he's facing. I should also be clear that if Mr N is suggesting he has faced some problems in terms of support, I'm mindful that's arguably a separate issue which should be dealt with independently. I've not seen that it formed part of Mr N's initial complaint here, nor Vanquis' final response.

Finally, 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 don't think Vanquis lent irresponsibly to Mr N 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.

My final decision

My final decision is that I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr N to accept or reject my decision before 22 May 2025.

Simon Louth
Ombudsman