

## **The complaint**

Miss F complains that Vanquis Bank Limited irresponsibly lent to her.

## **What happened**

Miss F was approved for a Vanquis credit card in February 2024 with a £600 credit limit. Miss F says that Vanquis irresponsibly lent to her. Miss F also said that they shouldn't have passed the debt to a Debt Collection Agent (DCA), and the high interest rate caused her significant financial strain.

Miss F made a complaint to Vanquis, who did not uphold her complaint as they said there was no reason to consider the lending irresponsible. They said the interest rate was set out in the credit agreement. Miss F brought her complaint to our service.

Our investigator did not uphold Miss F's complaint. She said that Vanquis made a fair lending decision. Miss F 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 the credit available to Miss F, 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.

Vanquis said they completed a credit check with a Credit Reference Agency (CRA) and they considered information that Miss F had provided before approving her application. The information showed that Miss F declared a gross annual income of £40,000.

The information from the CRA that Vanquis used for the account opening checks showed Miss F had previously defaulted on at least one account, with the last default being registered 55 months prior to her application. Miss F had a County Court Judgement (CCJ) showing on her credit file which was registered 52 months prior to the application checks.

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

The information from the CRA did show that Miss F was not in arrears on any of her active accounts at the time of the checks, and she hadn't been in arrears on any of her active accounts in the previous 12 months.

The CRA reported that Miss F had around £13,120 of outstanding active unsecured debt at the time of the checks, with £10,889 of this being a hire purchase or personal loan agreement. Vanquis also completed an affordability assessment which used information from the CRA and modelling, which showed Miss F should be able to pay sustainable repayments for a £600 credit limit. The £600 credit limit would have been 1.5% of Miss F's declared gross annual income.

So I'm persuaded that the checks Vanquis carried out were proportionate for the amount of credit they approved for Miss F. And I'm persuaded they made a fair lending decision to approve the credit limit of £600.

I've considered what Miss F has said about the interest impacting her affordability. I can empathise with Miss F's financial situation, however, I can see that the interest which would be charged was set out in the credit agreement. So Miss F should have been aware of this. And the affordability assessment showed that the repayments should still be sustainable and affordable for Miss F.

I've also considered what Miss F has said about Vanquis passing the debt onto a DCA. From the credit agreement that Vanquis has forwarded to our service, the possibility of this is covered under section "B29".

The credit agreement states that "*We may also instruct another company to carry out our responsibilities and exercise our rights under the agreement. For example, we may ask a debt-collection agent to help us get back any amounts you owe us*". This is what Vanquis did here, so I can't fairly say they acted outside of the credit agreement.

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 Miss F 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 Miss F to accept or reject my decision before 12 August 2025.

Gregory Sloanes  
**Ombudsman**