

The complaint

Miss K complains that Vanquis Bank Limited lent irresponsibly when it approved her credit card application.

What happened

Miss K applied for a Vanquis credit card in March 2023. In her application, Miss K said she was employed with a net monthly income of £2,200. Vanquis completed a credit search and found Miss K had existing unsecured debts of £12,400 and was making monthly repayments of £710. No adverse credit or recent defaults were found. Vanquis applied estimates for Miss K's general living expenses to the application. Vanquis says Miss K had sufficient disposable income to sustainably afford repayments to a new credit card. Vanquis approved the application and issued a credit card with a limit of £1,200.

Last year, representatives acting on Miss K's behalf complained that Vanquis lent irresponsibly. Vanquis issued a final response and said it had carried out the relevant lending checks before approving Miss K's application and didn't uphold her complaint.

An investigator at this service thought Vanquis had completed reasonable and proportionate lending checks before approving Miss K's application and didn't agree it lent irresponsibly. Miss K's representatives asked to appeal, so her 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, the rules say Vanquis had to complete reasonable and proportionate checks to ensure Miss K 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.

When Miss K's representatives responded to the investigator's view of her complaint they pointed out she'd taken out various new loans in the six months before her application to Vanquis was made, indicating she was borrowing at an unsustainable rate. I think that's a reasonable point. Given Miss K's other debts and income, I think the increase in her unsecured debt in the preceding six months could potentially have caused Vanquis to consider carrying out a more detailed set of lending checks to ensure she wasn't overcommitted. One option Vanquis had would've been to review Miss K's bank statements to get a clearer picture of her circumstances. I recently asked Miss K's representatives to provide a copy of her bank statements for the three months before her application. Unfortunately, despite chasing the outstanding information from Miss K's representatives no response was received and the bank statements weren't provided.

As the requested evidence wasn't supplied, I've relied on the information and evidence we already have in relation to Miss K's complaint. That shows Miss K had no adverse credit or recent defaults on her credit file at the point of application. In addition, Vanquis' lending data shows Miss K's existing payments were up to date. In addition, I can see that Vanquis' affordability assessment found Miss K had an estimated disposable income of around £200 a month after covering her existing outgoings and making a new credit card payment. Overall, I'm satisfied that was sufficient for Miss K to sustainably afford her existing outgoings and repayments to a new credit card with a limit of £1,200.

I'm very sorry to disappoint Miss K but based on the available information and for the reasons I've noted above, I haven't been persuaded to uphold her complaint about Vanquis.

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 Miss K or otherwise treated her 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 Miss K's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss K to accept or reject my decision before 16 September 2025.

Marco Manente
Ombudsman