

## The complaint

Mr W complains that Vanquis Bank Limited lent irresponsibly when it approved his credit card application and later increased the credit limit.

## What happened

Mr W applied for a Vanquis credit card in February 2014. Mr W gave an income of £24,500 in his application. Vanquis carried out a credit search to get a picture of Mr W's credit history and how much he owed to other businesses. The application was approved and Mr W was issued a credit card with a £1,000 limit.

Mr W used his credit card and Vanquis went on to increase the limit as follows:

Event	Date	Limit
App	Feb-14	£1,000
CLI1	Sep-14	£2,000
CLI2	Mar-15	£3,000
CLI3	Feb-16	£3,500
CLI4	Jun-18	£4,000

Mr W used the credit card until July 2024 when payments stopped. The account was later closed and default.

Last year, representatives acting on Mr W's behalf complained that Vanquis lent irresponsibly and it issued a final response. Vanquis said Mr W had waited too long to complain and didn't comments on whether it lent irresponsibly.

An investigator at this service looked at Mr W's complaint. Vanquis initially raised an objection to the Financial Ombudsman Service considering Mr W's complaint and said it was referred outside the time limits noted in our rules. Vanquis went on to send us its business file, including the lending data that remained on file. Our investigator looked at the available information but noted that due to the passage of time, none of the affordability data from Vanquis remained available. The investigator asked Mr W to supply bank statements for the three months before Mr W's application and credit limit increases. But Mr W wasn't able to supply the requested bank statements.

The investigator explained that, based on the available information, they weren't persuaded that Vanquis lent irresponsibly to Mr W and didn't uphold his complaint. Mr W asked to appeal and said he'd struggled to maintain his credit card payments over the years after the credit limit was increased. Mr W also said he already had bad credit and had to take further borrowing as a result of his Vanquis credit card. As Mr W asked to appeal, his 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 or increasing the credit limit, the rules say Vanquis had to complete reasonable and proportionate checks to ensure Mr W 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.

I've set out the available information that remains on file from Mr W's application above. As the investigator has said, the lending data Vanquis used is no longer available due to the passage of time. Businesses aren't required to retain information indefinitely and I'm satisfied the affordability checks Vanquis will have completed between February 2014 and June 2018 are no longer available. As a result, I'm unable to reach the conclusion that Vanquis carried out reasonable and proportionate lending checks.

I can see the investigator requested supporting information from Mr W's representatives by way of bank statements in order to get a clearer picture of his circumstances. But Mr W's representatives have confirmed the bank statements no longer remain available so they can't be provided. As a result, I've gone on to review the complaint based on the available information we hold on file.

The information from Vanquis shows it was aware that Mr W had defaulted on some accounts around five years earlier and incurred a County Court Judgement of £270. But the credit file information shows those issues were reasonably historic at the point of Mr W's application. And I can see that Mr W had no recent or current arrears. Vanquis has confirmed it will accept a certain level of adverse credit and I'm satisfied it took Mr W's credit history and current commitments into account when it looked at his application. I can also see that Vanquis asked Mr W about his income and I'm satisfied it took that into account when considering his application.

In the absence of further evidence, I'm satisfied the decision to approve Mr W's application was reasonable based on the information Vanquis obtained. I'm sorry to disappoint Mr W but I haven't been persuaded that Vanquis lent irresponsibly when it approved his application.

In much the same way, the affordability checks Vanquis completed before increasing Mr W's credit limit aren't available. The credit file information shows Mr W had no new missed payments before the first three credit limit increases and that his outstanding unsecured credit remained reasonably low. The credit file shows Mr W missed a payment around six months before the final credit limit increase. I note that all the default and County Court

Judgement information recorded on Mr W's credit file had dropped off by June 2018 which indicates his financial position had stabilised.

Whilst I can see Mr W did incur some fees on his Vanquis credit card, in my view that should've led to better checks rather than an automatic decline. But as we're unable to see the relevant bank statements, I'm unable to conclude what Vanquis would've found so am unable to fairly say it lent irresponsibly.

I'm very sorry to disappoint Mr W but for the reasons I've noted above I'm unable to uphold his complaint.

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 Mr W or otherwise treated him 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 Mr W's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr W to accept or reject my decision before 7 August 2025.

Marco Manente  
**Ombudsman**