

## 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 August 2021. In his application, Mr W gave a household income of £54,500 and said he was employed full time. Vanquis carried out a credit search and found no evidence of any unsecured debts in Mr W's name. A mortgage with monthly repayments of £844 was found. No County Court Judgements, defaults or other adverse credit was noted on Mr W's credit file. Vanquis says it applied its lending criteria and approved Mr W's application, issuing a credit card with a £500 limit.

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

Event	Date	Limit
App	Aug-21	£500
CLI1	Dec-11	£1,000
CLI2	May-12	£2,500
CLI3	Dec-12	£3,000
CLI4	Apr-14	£3,500
CLI5	May-16	£4,000

Vanquis says it looked at Mr W's account history, repayments, credit file and completed affordability assessments by applying its lending criteria before each credit limit increase.

Mr W used the credit card until May 2018 when the balance was repaid by a debit card payment. More recently, Mr W complained that Vanquis lent irresponsibly. Mr W's told us he was sent unsolicited mail that advised he was pre approved for the Vanquis credit card. Mr W also said that the way Vanquis increased his limit placed him in a worse financial position. Mr W also pointed out he had satisfied a CCJ only six months before his application was submitted to Vanquis. 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.

Mr W's told us that in 2003 a CCJ was registered against him for £7,198. Mr W says it was satisfied in June 2004 and believes the CCJ would've remained on his credit file for six years from the date of satisfaction. But that's not the case and CCJ's remain on a credit file for six years from the date of registration. As the CCJ was registered in 2003 it would've dropped off Mr W's credit file at some point in 2009. Mr W's application to Vanquis was made in August 2011, so I'm satisfied a CCJ from 2003 wouldn't have remained. Further, whilst some of the application information is no longer available, the results from the credit search Vanquis completed remain on file. That shows no evidence of any CCJs, defaults or recent missed payments on Mr W's credit file in August 2011. So whilst I note Mr W's comments, I'm satisfied the credit file didn't include a CCJ or other adverse credit when Mr W applied.

Mr W's also explained he was targeted with a pre-approved offer prior to his application and says Vanquis had already made its decision concerning affordability. But I'm not persuaded that's the case. I don't doubt the offer Mr W received indicated he was likely to be accepted. But the approval of the credit card was subject to a full application and I'm satisfied the information on file shows that Vanquis didn't simply send Mr W notice he was already approved and no full application was required.

As I've noted above, in his application Mr W confirmed a household income of £54,500 but he's since told us his personal income was £24,000 a year at the time. Unfortunately some of the evidence of the lending checks completed by Vanquis no longer remain due to the passage of time. So we don't know whether Vanquis verified the income level Mr W gave as part of the application process. But looking at Mr W's credit file results, he appeared to be in a stable position with no unsecured debts and an up to date mortgage. I haven't seen anything that would've led Vanquis to take the view the income figure provided wasn't reasonable.

Again, due to the passage of time the specific affordability checks completed by Vanquis no longer remain. I've considered the available information when deciding whether I think Vanquis lent irresponsibly. As noted above, Mr W gave a household income of £54,500 and his credit file showed no arrears or other adverse information. I can see Vanquis found Mr W's mortgage payments of £844 a month and I'm satisfied they would've been factored into its lending assessment. The initial credit limit of £500 was low which reduced the potential for financial harm. Given Mr W's lack of other debts and the income declared in the application, I'm satisfied it's more likely than not he would've been able to sustainably afford repayments to a new credit card with a limit of £500. I'm sorry to disappoint Mr W but I haven't been persuaded Vanquis lent irresponsibly when it approved his credit card application.

I've gone on to consider the credit limit increases, starting with CLI1. I think it's reasonable to note that all Mr W's payments to Vanquis had been made on time and in full. There were no instances of being over the agreed credit limit and no fees or charges applied. Mr W's credit file was checked before the credit limit increase. No new adverse credit, defaults or missed

payments were found. And no other debts were found either. At this point, Mr W's only unsecured debt appears to have been held on his Vanquis credit card. In my view, the available information indicates Mr W was managing his finances well and in a stable position. I haven't seen anything that would've led Vanquis to take the view Mr W was unable to sustainably afford an increase in this credit limit up to £1,000. As a result, I haven't been persuaded Vanquis lent irresponsibly when it approved CLI1.

As Vanquis hasn't retained the affordability checks, I'm unable to see what information it considered. And from CLI2 the credit limit increases meant the amount available to Mr W was significant. I'd have liked to see either the affordability checks completed by Vanquis or copies of Mr W's bank statements to get a clearer picture of his circumstances. Unfortunately, Vanquis hasn't retained the affordability data and Mr W isn't able to obtain copies of his bank statements going back to 2012. I'm satisfied that reflects the passage of time rather than a failure of either party to provide available information.

As no affordability checks or bank statements are available, I've considered the credit limit increases based on Mr W's credit file and card history. I note Mr W's credit file showed no new unsecured debt before CLI2. Before CLI3 Mr W's unsecured debts increased to £7,100 but reduced to around £4,300 before CLI4 and £4,200 before CLI5. I can see Mr W did have some missed payments on his credit file, but none in the months preceding the credit limit increases. In addition, Mr W's Vanquis account was well maintained with no overlimit or late fees applied.

In my view, the credit file information and Vanquis credit card history indicates Mr W was in a stable position during the period his credit limit increases were approved. I haven't seen anything that would've led Vanquis to take the view Mr W was struggling financially or unable to make repayments to the credit limits it went on to approve. On balance, I haven't been persuaded that Vanquis lent irresponsibly before approving Mr W's credit limit increases.

I understand Mr W feels the unsolicited credit limit increases encouraged him to borrow more. But Vanquis is allowed to offer its customers credit limit increases so long as it lends responsibly when doing so. Borrowers can decide to decline the credit limit increases if they don't wish to proceed.

I'm very sorry to disappoint Mr W but for the reasons noted above I haven't been persuaded that Vanquis lent irresponsibly. As a result, I'm unable to uphold Mr W's 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 October 2025.

Marco Manente  
**Ombudsman**

