

## **The complaint**

Mr R complains that Vanquis Bank Limited irresponsibly lent to him.

Mr R is represented by a claims management company in bringing this complaint. But for ease of reading, I'll refer to any submission and comments they have made as being made by Mr R himself.

## **What happened**

Mr R was approved for a Vanquis credit card in February 2020 with a £500 credit limit. Mr R says that Vanquis irresponsibly lent to him, and he made a complaint to Vanquis, who did not uphold his complaint. Vanquis said appropriate checks were made proportionate to the amount of credit being granted. Mr R brought his complaint to our service.

Our investigator did not uphold Mr R's complaint. She said Vanquis should have made further checks, but she said further checks would have shown the lending was affordable. Mr R asked for an ombudsman to review his complaint. He said his credit file showed active arrears leading up to the approval of the Vanquis credit card, a County Court Judgement (CCJ) was registered around a year earlier, and he had an active default was showing on his credit file. Mr R said that he had significant existing credit commitments prior to the Vanquis lending.

## **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 Mr R, Vanquis needed to make proportionate checks to determine whether the credit was affordable and sustainable for him. 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 information that Mr R had provided before approving his application.

The information showed that Mr R declared he was full time employed with a gross annual household income of £20,000. The CRA showed he had active unsecured debt of £11,281 at the time the checks were completed.

The checks showed that Mr R had at least one defaulted account, with the last account defaulting 25 months prior to the checks, and a CCJ, with this being registered 13 months prior to the 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 Vanquis' other checks showed to see if they made a fair lending decision here.

The CRA reported that one of Mr R's accounts had been five months in arrears for at least the previous 12 months and the same account was in a Debt Management Programme (DMP). So I'm persuaded that based on the DMP, Vanquis should have completed further checks to ensure the repayments would be affordable and sustainable for Mr R. As the DMP had been in place for at least 12 months, then Mr R's financial situation could have improved since the DMP was put in place.

There's no set way of how Vanquis should have made further proportionate checks. One of the things they could have done was to contact Mr R to ensure that he could afford the repayments on his Vanquis account for a £500 credit limit. Or they could have asked for his bank statements as part of a proportionate check to ensure the lending was sustainable and affordable for him.

I asked Mr R for his bank statements leading up to the lending decision. But Mr R has not provided these by the deadline given. So based on the instructions by his representative (if the information was not received by the deadline, to continue my investigation with the information I have available) then I did not provide a further deadline for him to provide me with his bank statements.

So on the face of it, it does look like Vanquis should've looked more closely into this. But as my role is impartial, that means I have to be fair to both sides and although I'm satisfied that Vanquis should've done more checks here – I can't say whether further checks would've revealed further information which means they wouldn't have lent. So as Mr R hasn't provided us with the information he was asked for, that means that it wouldn't be fair for me to say that Vanquis shouldn't have lent here, because I don't know what further checks would reveal.

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 Mr R 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. 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 Mr R to accept or reject my decision before 24 October 2025.

Gregory Sloanes  
**Ombudsman**