

## **The complaint**

Mrs S complains that Vanquis Bank Limited (“Vanquis”) lent to her irresponsibly when it provided her with a credit card account and subsequent credit limit increases.

For ease of reference, I’ll refer to Mrs S when referring to both her and her representative.

## **What happened**

Mrs S applied for a credit card with Vanquis in February 2011. Vanquis approved a credit card account with an initial credit limit of £250. Mrs S’s credit limit was increased over the years until the last credit increase to £3,500 in November 2016. As the last credit limit increase took place more than six years ago, Vanquis has consented to us considering all of the lending decisions.

In February 2024 Mrs S complained to Vanquis that it had lent to her irresponsibly.

On 7 May 2024 Vanquis issued Mrs S with a final response letter (“FRL”). Within the FRL, Vanquis explained how Mrs S had brought her complaint too late for it to consider the merits and didn’t uphold it.

Unhappy with the FRL from Vanquis, Mrs S brought her complaint to us in January 2025. Although this was over six months after Vanquis issued its FRL and which usually would be time barred, Vanquis subsequently confirmed it consented for us to consider the merits of the complaint.

Mrs S’s complaint was considered by one of our investigators who didn’t uphold it.

Mrs S didn’t accept the investigator’s view, so her complaint has been passed to me for review and 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.

Having done so I’ve reached the same conclusion as that of our investigator and for broadly the same reasons.

I’m aware that I’ve summarised this complaint above in less detail than it may merit. No discourtesy is intended by this. Instead, I’ve focussed on what I think are the key issues here. Our rules allow me to do this. This simply reflects the informal nature of our service as a free alternative to the courts.

If there's something I've not mentioned, it isn't because I've ignored it. I haven't. I'm satisfied I don't need to comment on every individual argument to be able to reach what I think is the right outcome. I will, however, refer to those crucial aspects which impact my decision.

Lastly, I would add that where the information I've got is incomplete, unclear or contradictory, I've to base my decision on the balance of probabilities.

We've explained how we handle complaints about irresponsible and unaffordable lending on our website. And I've used this approach to help me decide Mrs S's complaint.

Having carefully thought about everything I've been provided with, I'm not upholding Mrs S's complaint. I'd like to explain why in a little more detail.

### Vanquis's decision to grant Mrs S an account in February 2011

Vanquis was required to lend responsibly. It needed to conduct checks to make sure that the credit it offered to Mrs S was affordable and sustainable. Such checks need to be proportionate to things like the credit limit offered to Mrs S and how much she had to repay each month.

This means to reach my decision I need to consider if Vanquis carried out proportionate checks at the time of Mrs S's application and each limit increase; if so, did it make fair lending decisions based on the results of its checks; and if not, what better checks would most likely have shown. I also need to think about, bearing in mind the circumstances at the time of each additional advance in credit, whether there was a point at which Vanquis ought reasonably to have realised it was increasing Mrs S's indebtedness in a way that was unsustainable or otherwise harmful and so shouldn't have provided further credit.

We asked Mrs S for a copy of her credit file and copies of bank statements (although it doesn't follow that Vanquis should have considered bank statements when making its lending decisions). This was to understand what Vanquis would have likely seen about Mrs S's finances at the time of the application and each subsequent credit limit increase and how it has treated Mrs S since the last credit increase. However, Mrs S hasn't responded to this request. And so my decision is based on the evidence we've been provided with and I've seen so far. And due to the passage of time and the retention period of documents (businesses only have to retain certain documents for six years), the evidence I've considered is limited.

Mrs S applied for a credit card through Vanquis and which was approved with a £250 initial credit limit. As part of Mrs S's application, she declared that she was employed full time and receiving a gross annual income of £13,000.

Vanquis says it used the information Mrs S provided and conducted a credit check to determine whether to lend to Mrs S. From the credit checks it conducted and the information Mrs S provided, Vanquis assessed this limit to be both affordable and sustainable for Mrs S. Vanquis said there wasn't any adverse information on Mrs S's credit file, save for a default on a mail order account which was quickly paid and this limit appeared affordable for her.

Ultimately, Vanquis had to be satisfied, from the recent information it saw and was provided with, that Mrs S could afford the credit it offered and that she could do so going forward. And on balance, from the evidence I've seen, I'm satisfied she could. This was a relatively small initial credit limit and there was no apparent adverse information on her credit file that would suggest any financial difficulty.

So on balance, I'm satisfied that Vanquis's checks were proportionate and that it made a fair lending decision initially.

#### *Vanquis's decision to increase Mrs S's credit limit*

Between June 2011 and November 2016, there were six incremental credit limit increases until the last increase to £3,500.

Vanquis told us that for each credit increase, it considered how Mrs S had managed her account so far together with the credit checks it conducted. Vanquis said that there was no evidence that would have indicated financial difficulty such as overlimit or late payment fees, no significant or frequent cash withdrawals and no active pay day loans. Vanquis assessed Mrs S to be able to afford each increase. And on balance, I agree.

I've considered how Mrs S had managed her credit prior to the increases. She had, on the whole no late fees, no missed repayments or over the limit fees applied (apart from two isolated occasions) and was mainly paying more than her minimum repayment each month. I've not seen any evidence that Mrs S was using her credit card to make regular cash withdrawals and Vanquis told us there was no significant adverse information on her credit file prior to each increase in credit limit. Although there was evidence that Mrs S's overall debt commitments had increased over the years, I can't say, given the information I've seen, that this would have meant the credit limit increases weren't affordable.

And as Mrs S hasn't provided us with the additional information we requested, I can't fairly say that had Vanquis completed a more thorough affordability assessment it would have found the credit to be unaffordable. For this reason, I can't say Vanquis acted unfairly or unreasonably in increasing Mrs S's credit limit.

My final decision is I don't uphold Mrs S's complaint. I appreciate that Mrs S will be disappointed with this. But having considered everything that both parties have said and submitted, I'm simply not persuaded, in the particular circumstances of this case, that Vanquis made an unfair lending decision when approving Mrs S's credit card as well as when increasing her credit limit.

#### *Did Vanquis act unfairly in any other way*

I've seen evidence that after the last credit limit increase, Mrs S did at times exceed her credit limit and incurred additional fees as a result and she was at times using her credit card to make small cash withdrawals. But on balance, I can't see that this would have indicated to Vanquis that Mrs S was experiencing financial difficulty. I say this as from the evidence I've seen, Mrs S never exceeded her credit limit by much and nor was this for a sustained period of time and there was no other apparent adverse information which would suggest she was struggling financially.

Vanquis did send Mrs S persistent debt letters at times when she was only making the minimum repayments but I've not seen any evidence that Mrs S responded to these other than on 22 November 2023 when she contacted Vanquis to explain she could only afford minimum payments at that time but hoped to increase these the following year.

I've also considered whether Vanquis acted unfairly or unreasonably in any other way, including whether the relationship between Mrs S and Vanquis 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 Mrs S 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.

Although I'm not upholding this complaint, I'd like to remind Vanquis of its responsibility to treat Mrs S with forbearance and due consideration going forward.

### **My final decision**

My final decision is that I don't uphold Mrs S's complaint against Vanquis Bank Limited.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs S to accept or reject my decision before 26 November 2025.

Paul Hamber  
**Ombudsman**