

The complaint

Ms C complains that Vanquis Bank Limited have irresponsibly lent to her.

Ms C is represented by a solicitor's firm in bringing this complaint. But for ease of reading, I'll refer to any submission and comments they have made as being made by Ms C herself.

What happened

Ms C was approved for a Vanquis credit card which was opened in April 2016 with a £500 credit limit. I have set out the credit limit increases below:

April 2017	£500 to £1,500
September 2017	£1,500 to £2,250
May 2019	£2,250 to £2,500
October 2019	£2,500 to £3,500
March 2020	£3,500 to £4,000

Ms C says that Vanquis irresponsibly lent to her. Ms C made a complaint to Vanquis, but Vanquis did not uphold her complaint. They said they made fair lending decisions. Ms C brought her complaint to our service.

Our investigator did not uphold Ms C's complaint. He said Vanquis' initial lending checks were proportionate, but for each further lending decision Vanquis made, they should have made further checks. But he was unable to conclude Vanquis lent irresponsibly to Ms C as she did not forward him the information he asked for.

Ms C asked for an ombudsman to review her complaint. In summary, she said she shouldn't have to bear the burden of proving the lending was unaffordable when Vanquis hadn't carried out proportionate checks, and this does not absolve Vanquis of responsibility. Ms C said the lending was irresponsible given her financial circumstances, and the relationship was unfair under Section 140A of the Consumer Credit Act 1974.

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 or increase the credit available to Ms C, Vanquis needed to make proportionate checks to determine whether the credit was affordable and sustainable for her. 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.

Acceptance for the Vanquis credit card

I've looked at what checks Vanquis said they did when initially approving Ms C's application. I'll address the credit limit increases later on. Vanquis said they looked at information provided by a Credit Reference Agency (CRA) and information that Ms C had provided before approving her application.

The information showed that Ms C had declared a gross annual income of £33,000 and she was full time employed. The CRA Vanquis used did not report any defaulted accounts or any County Court Judgements (CCJ's).

Ms C was showing as having no active unsecured debt at the time of the checks. Ms C was showing as not being in arrears or any arrangement plans on any of her accounts at the time of Vanquis' checks, and she hadn't been in arrears or in any arrangement plans in the previous 12 months on her accounts.

So I'm persuaded that the checks Vanquis completed were proportionate, and as Ms C was showing no recent adverse credit history, then I'm persuaded that Vanquis made a fair lending decision to approve the account and provide her with a £500 credit limit.

April 2017 credit limit increase - £500 to £1,500

I've looked at the information available to Vanquis as part of this lending decision. The data from the CRA showed that Ms C's active external unsecured debt was £24,733, which was significantly higher than at the account opening stage.

The CRA Vanquis used for this lending decision reported that Ms C had previously defaulted on an account, with the default being 55 months prior to the checks. It may help to explain here that, while information like a default 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 other checks Vanquis made to see if they made a fair lending decision.

The CRA reported Ms C had no arrears on any active accounts, and she didn't have any arrears since her Vanquis account had been opened. Vanquis would have also been able to see how Ms C managed her account with them since it had been opened.

Ms C incurred a late payment fee and she exceeded her credit limit (although she wasn't charged for this) since the account had been opened. So based on the significant increase in active unsecured debt, and the late payment fee, I'm persuaded that Vanquis should have completed further checks to ensure the lending was affordable and sustainable for her.

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 Ms C to find out why she had taken on a lot more unsecured debt since the account had been opened. Or they could have asked for her bank statements as part of a proportionate check to ensure the lending was sustainable and affordable for her.

Our investigator asked Ms C for her bank statements leading up to the lending decision. But Ms C did not provide these by the deadline given, even though he extended the deadline for her.

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 Ms C hasn't provided us with the information she 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.

September 2017 credit limit increase - £1,500 to £2,250

The data from the CRA showed that Ms C's total active external unsecured debt was £20,527, which was lower than at the last lending decision. So this could suggest that not only Ms C was able to service her debt, but she was able to reduce it also.

Ms C incurred no overlimit or late fees since the last lending decision on her Vanquis account. The CRA reported she had not been in arrears on any external active accounts since the last lending decision. Ms C had also made higher repayments in some months than she was required to make, so it didn't appear that she was in financial difficulty leading up to this lending decision, especially as she had also been able to reduce the overall active unsecured debt.

So I'm persuaded that Vanquis' checks here were proportionate, and they made a fair lending decision to increase the credit limit to £2,250.

May 2019 credit limit increase - £2,250 to £2,500

A CRA reported that Ms C's active external unsecured debt was £20,416, which was slightly lower than at the last lending decision. Ms C was not showing as being in arrears on her external accounts at the time of these checks. But she was showing as being overlimit prior to the credit limit increase and she had incurred a late payment fee.

So I'm persuaded that Vanquis should have performed further checks to ensure Ms C could afford repayments for an increased credit limit. But again, Ms C hasn't provided our investigator with her statements by the extended deadline.

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 Ms C hasn't provided us with the information she 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.

October 2019 credit limit increase - £2,500 to £3,500

Ms C's unsecured external active unsecured debt was showing as being £18,574 at the time of these checks. So her debt had fallen since the last lending decision. Again, she was showing as being in no arrears at the time of the checks.

Ms C incurred no late or overlimit fees since the last lending decision. Vanquis completed an affordability assessment which included information Ms C provided them. This showed that the lending would be affordable and sustainable for Ms C.

So I'm persuaded that Vanquis' checks were proportionate here, and they made a fair lending decision to increase the credit limit to £3,500.

March 2020 credit limit increase - £3,500 to £4,000

A CRA reported that Ms C's active external unsecured debt was £17,428 at the time of the checks. So it had fallen again since the last lending decision. Ms C was not in arrears at the

time of the checks, and she hadn't been in arrears since the last lending decision.

Ms C's credit usage on her Vanquis account had fallen in the two months prior to this lending decision, and she had incurred no late or overlimit fees since the last lending decision. Prior to this increase, Ms C made a £670 repayment in February 2020, and she made repayments which were greater than her minimum repayment for the three months prior to this payment.

So I'm persuaded that Vanquis' checks were proportionate here, and they made a fair lending decision to increase the lending to £4,000.

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 Ms C 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. 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 Ms C to accept or reject my decision before 29 October 2025.

Gregory Sloanes
Ombudsman