

The complaint

Mrs F complains that Vanquis Bank Limited irresponsibly provided her with a credit card and credit limit increases.

What happened

Vanquis provided Mrs F with a credit card in January 2014 with a limit of £500. It sent Mrs F notification of its intention to increase the credit limit in June 2014 and May 2015, and the limits were subsequently increased to £1,000 and £2,000 respectively. A notice of default was issued in 2016, and the debt was sold to a third party in 2017 before being repurchased some months later.

In summary, Mrs F says she struggled with the account at the time and had financial difficulties including late and missed payments on the account. Vanquis reviewed Mrs F's complaint and said it had been brought too late under the rules that apply to this service.

An Investigator here reviewed matters. In summary, he thought a complaint about the lending decisions had been brought too late under the relevant rules. That is, more than six years after the event complained of, and more than three years from the point Mrs F ought reasonably to have been aware of her cause for complaint. However, he thought we could consider a complaint about an allegedly unfair relationship. In doing so, he thought Vanquis had acted unfairly and ought to pay Mrs F redress.

Another Investigator then reviewed matters and explained that he didn't think there was any redress payable to Mrs F. This was because the previous recommended redress included a refund of interest and charges accrued over the six-year period before Mrs F's complaint was raised. However, Mrs F's account didn't appear to incur interest and charges over that period.

Vanquis didn't dispute this revised opinion, but Mrs F was unhappy with it. She also said she had previously complained to Vanquis about these matters. Overall, an agreement hasn't been reached. So, the case has been passed to me to decide.

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.

Vanquis thinks this complaint has been raised too late under the Financial Conduct Authority (FCA) Dispute Resolution (DISP) Rules, which set timescales within which complaints need to be brought to this service. Our Investigator explained why he didn't think we could look into a complaint about the provision of the credit card or credit limit increases. But he said he thought Mrs F was also complaining about an unfair relationship as described in Section 140A of the Consumer Credit Act 1974. And, he outlined why he thought the complaint about an allegedly unfair relationship had been brought to this service in time.

For the avoidance of doubt, I agree with this. I've considered that Mrs F says she previously raised a complaint about these matters with Vanquis. Vanquis's notes suggest the parties did discuss other matters, however, neither party has provided evidence of this complaint having been received by Vanquis before 2024. That being said, as outlined, I think this service is able to consider the complaint about an allegedly unfair relationship anyway. It follows that the rest of this decision will focus on the merits of that complaint. While I acknowledge that Vanquis still doesn't agree we have jurisdiction over the complaint, having now considered all the available information, I've decided not to uphold it, so I'll not comment on jurisdiction further.

As our Investigator explained in his opinion, in deciding this complaint I'm required to take account of relevant law, amongst other things. I've interpreted Mrs F's complaint as being about the fairness of the relationship between a borrower and a lender – Mrs F and Vanquis – arising out of a credit agreement. I say this because Mrs F says appropriate checks weren't carried out initially. She is clear that the impact of being provided with the credit caused her financial difficulties and she struggled to manage the account.

Therefore, given I think Mrs F is complaining about Vanquis's perpetuation of an unfair relationship, relevant law here includes Section 140A, Section 140B and Section 140C of the Consumer Credit Act 1974.

As our Investigator outlined, S.140A of the CCA says that a court may make an order under S.140B if it determines that the relationship between the creditor (Vanquis) and the debtor (Mrs F) arising out of a credit agreement is unfair to the debtor because of one or more of the following, having regard to all matters it thinks relevant:

- any of the terms of the agreement;
- the way in which the creditor has exercised or enforced any of his rights under the agreement;
- any other things done or not done by or on behalf of the creditor.

Case law shows that a court assesses whether a relationship is unfair at the date of the hearing, or if the credit relationship ended before then, at the date it ended. That assessment has to be performed having regard to the whole history of the relationship.

S.140B sets out the sorts of orders a court might make – these are wide powers, including to change the terms of the agreement, reduce the amount owed or require a refund, or to do or not do any particular thing. I've kept this in mind as relevant law in deciding what's fair and reasonable in all of the circumstances.

However, just because there may have been unfairness in the relationship between the parties, it doesn't automatically follow that the borrower – Mrs F – is entitled to a refund of interest and charges dating back to when the unfairness began. I say this because in the recent court case of *Smith v Royal Bank of Scotland Plc* [2023], the Supreme Court said that remedies for unfair relationships are in the court's discretion and the court may deny a remedy where the claimant had knowledge of the facts relevant to their claim but substantially delayed making the claim.

So, when considering a fair and reasonable outcome to Mrs F's complaint, I need to take this into account as relevant law. As our Investigator outlined, there's no fixed period of delay that brings this principle into play, but the Supreme Court approved the District Judge's comment in the case that a court would be slow to remedy unfairness in a situation where the claimant delayed more than six years after knowing the facts.

In Mrs F's case, I think it's clear that she was aware of the facts of her complaint. Indeed, she says she complained about matters some time ago, though neither party has evidenced the complaint having been received before 2024. Aside from this point, I think Mrs F would have known the relationship felt unfair several years earlier. I say this as a result of the charges that accrued on the account and the default notice which was issued in 2016. However, whilst the parties did discuss other matters over the years, I've not been provided with enough to persuade me that Mrs F brought this particular matter to Vanquis's attention before 2024, or that there's anything which would have prevented her from doing so.

So, considering the aforementioned judgment, even if we did recommend Mrs F's complaint ought to be upheld, I think fair redress would be a refund of interest and charges on the account limited to the six-year period before Mrs F's complaint was raised. However, I can't see that any interest or charges accrued on the account during this period. The account was charged off and initially passed to a debt purchaser in 2017 before being subsequently bought back by Vanquis. Additionally, Vanquis has evidenced that the balance on the account didn't increase from 2016 onwards, which covers the six-year period before Mrs F raised her complaint. Therefore, even if I were to uphold this complaint, there would be no award to direct Vanquis to make in the circumstances of this particular case.

Overall then, whilst I understand this will no doubt disappoint Mrs F, I don't uphold her complaint about Vanquis.

My final decision

For the reasons outlined above, I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs F to accept or reject my decision before 14 October 2025.

Hana Yousef
Ombudsman