

## **The complaint**

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

Mr K 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 Mr K himself.

## **What happened**

Mr K was approved for a Vanquis credit card in July 2022 with a £1,000 credit limit. The credit limit was increased to £1,750 in April 2023. Mr K 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 level of credit being granted. Mr K brought his complaint to our service.

Our investigator did not uphold Mr K's complaint. He said Vanquis' checks were proportionate, and they made fair lending decisions.

Mr K asked for an ombudsman to review his complaint. He made a number of points. In summary, he said Vanquis failed to carry out further checks even though he had multiple late payment fees leading up to the credit limit increase, he said Vanquis didn't verify his income or outgoings despite how he managed his account, and his external debt. He said there was an unfair lending relationship with Vanquis.

## **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 Mr K, 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.

### *Acceptance for the Vanquis credit card*

I've looked at what checks Vanquis said they did when initially approving Mr K's application. I'll address the credit limit increase later on. Vanquis said they completed a credit check with a Credit Reference Agency (CRA) and information that Mr K had provided before approving his application.

The information showed that Mr K declared he was employed full time with a gross annual income of £36,000. The CRA Vanquis used reported that Mr K had previously defaulted on accounts, with the last default being registered 36 months prior to his application.

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.

None of Mr K's active accounts were in an arrangement to pay, or in arrears at the time of the checks. The CRA showed he had active unsecured debt of £6,765 at the time the checks were completed, which would have equated to around 18.8% of Mr K's declared gross annual income.

So I'm not persuaded that it would have been proportionate for Vanquis to have completed any further checks here such as requesting payslips or bank statements from Mr K. I'm persuaded that Vanquis' opening checks were proportionate, and they made a fair lending decision here.

*April 2023 credit limit increase - £1,000 to £1,750*

I've looked at what checks Vanquis said they did as part of this lending decision. Mr K's active external unsecured debt was at £7,748, which was not significantly higher than at the account opening stage. The data shows Mr K had no accounts in arrears since his Vanquis account had been opened.

Vanquis would have also been able to see how Mr K managed his Vanquis account since the account opening stage. Mr K incurred four late fees and he had exceeded his credit limit since the account had been opened. While I note at times Mr K made repayments a lot higher than his minimum repayment, this was somewhat negated by him reusing the available credit shortly thereafter.

So based on how Mr K managed his account since it had been opened, I'm persuaded that Vanquis should have completed further checks to ensure the lending would be affordable and sustainable for him.

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 K to ask him why he'd been late with his repayment multiple times since the Vanquis account had been opened, and to ensure he could meet the repayments on the new 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 K for bank statements leading up to this lending decision, but Mr K did not provide these by the deadline set – even though I extended the deadline for him. 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 K hasn't provided me with his statements, 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 K 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.

**My final decision**

I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr K to accept or reject my decision before 5 December 2025.

Gregory Sloanes  
**Ombudsman**