

The complaint

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

Mr R 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 R himself.

What happened

Mr R was approved for a Vanquis credit card in November 2016 with a £500 credit limit. I have detailed the credit limit increases below:

November 2017	£500 to £2,000
October 2018	£2,000 to £3,000
December 2022	£3,000 to £3,500

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 level of credit being granted. Mr R brought his complaint to our service.

Our investigator did not uphold Mr R's complaint. He said Vanquis should have made further checks at each lending decision, but as Mr R didn't provide him with information he asked from him, he didn't have enough information to say the lending was unfair.

Mr R asked for an ombudsman to review his complaint. He made a number of points. In summary, he said Vanquis repeatedly failed to carry out proportionate checks, there were clear concerns in his credit file data and account usage patterns, his bank statements are not available to provide our service through no fault of his own, and proportionate checks would have likely showed affordability concerns.

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.

Firstly, I'm aware that I've only summarised Mr R's complaint points. And I'm not going to respond to every single point made by him. No discourtesy is intended by this. It simply reflects the informal nature of our service as a free alternative to the courts. If there's something I haven't mentioned, it isn't because I've ignored it. I haven't. I'm satisfied I don't need to comment on every individual point to be able to reach what I think is a fair outcome.

Before agreeing to approve or increase 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.

Acceptance for the Vanquis credit card

I've looked at what checks Vanquis said they did when initially approving Mr R's application. I'll address the credit limit increases later on. 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 employed full time with a gross annual income of £16,000. The CRA Vanquis used reported that Mr R had no defaults on his credit file, and no County Court Judgements (CCJ's).

None of Mr R's active accounts were in an arrangement to pay, or in arrears at the time of the checks. But Mr R had one active account that had been in arrears within two months prior to the checks. The CRA showed he had active unsecured debt of £11,825 at the time the checks were completed, which would have equated to around 73.9% of Mr R's declared gross annual income.

So based on the recent arrears, and the level of unsecured debt Mr R already had at the time he applied for the account, 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 R to enquire why he'd recently missed a payment, 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.

Our investigator previously asked Mr R for bank statements, but Mr R was unable to provide these 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 been able to provide us with statements (albeit through no fault of his own), 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.

November 2017 credit limit increase - £500 to £2,000

I've looked at what checks Vanquis said they did as part of this lending decision. Mr R's active external unsecured debt was at £16,735, which was almost 50% higher than at the last lending decision. The data shows Mr R was exceeding his credit limit on one of his accounts which could be a sign of financial difficulty, or it could have been an oversight from Mr R. The CRA reported that Mr R had no accounts in arrears since his Vanquis account had been opened.

Vanquis would have also been able to see how Mr R managed his Vanquis account since the account opening stage.

Mr R incurred one overlimit and one late payment fee. He had exceeded his Vanquis credit limit in another month, but he wasn't charged for this. Mr R was close to his credit limit leading up to this lending decision.

So again I'm persuaded that Vanquis should have completed further checks to ensure Mr R

could sustainably afford repayments for a credit limit which was quadrupling. And while I acknowledge that Mr R has attempted to obtain his bank statements, and he can't get them through no fault of his own, I'm unable to hold Vanquis responsible for this and come to a conclusion without the bank statements that the lending was unaffordable.

So on the face of it, it does look like Vanquis should've looked more closely into this. But 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, because I don't know what further checks would reveal.

October 2018 credit limit increase - £2,000 to £3,000

Mr R's active external unsecured debt was lower than at the last lending decision as it was showing as being £14,882, which could suggest that not only did Mr R have the affordability to service his debt, but to reduce it also. Mr R was not in arrears on any of his active accounts at the time of the checks. And he wasn't over his credit limit with other lenders at the time of the checks.

Mr R had not incurred any late payment fees since the last lending decision. But he did incur an overlimit fee, albeit I note that this was refunded. But due to the Vanquis credit limit being exceeded prior to the increase of the credit limit, which was increasing by 50%, then I'm persuaded that Vanquis should have completed further checks here. But Mr R has been unable to provide us with his bank statements for me to see what further checks would have showed.

So on the face of it, it does look like Vanquis should've looked more closely into this. But 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, because I don't know what further checks would reveal.

December 2022 credit limit increase - £3,000 to £3,500

Mr R's active external unsecured debt being reported by a CRA was £5,500, which was significantly lower than at the last lending decision, which could suggest Mr R had the affordability to not only service his unsecured debt, but to also reduce his active unsecured debt. The data showed that Mr R hadn't been in arrears on any active accounts since the last lending decision.

Mr R incurred one late and one overlimit fee on his Vanquis account since the last lending decision. His balance prior to the credit limit increase had exceeded his credit limit, so I'm persuaded that Vanquis should have completed further checks here. But Mr R has been unable to provide us with his bank statements for me to see what further checks would have showed.

So on the face of it, it does look like Vanquis should've looked more closely into this. But 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, because I don't know what further checks would reveal.

I've considered what Mr R has said about proportionate checks were likely to show affordability concerns, but I can't evidence this without the bank statements. Mr R's unsecured external debt had fallen at the last two credit limit increases, which could suggest he had disposable income in order to reduce the outstanding balance, so it would not be proportionate here to assume what any of his statements would have shown. Mr R had told Vanquis in December 2016 that he forgot to make a payment to them, so it would not be

proportionate for me to automatically say any adverse information is definitive evidence that he couldn't afford any of the credit limits he was provided with.

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.

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 30 October 2025.

Gregory Sloanes
Ombudsman