

The complaint

Miss L complains that Vanquis Bank Limited lent irresponsibly when it approved her credit card application and later increased the limit.

What happened

Miss L applied for a Vanquis credit card in July 2017. In her application, Miss L said she had an annual income of £50,000. Vanquis completed a credit search and found Miss L had a mortgage of £57,000 with monthly repayments of £182. The credit search also found Miss L had unsecured debts totalling around £18,000. No adverse credit, defaults, payday loans or recent missed payments were noted on Miss L's credit file.

Vanquis will have also carried out an affordability assessment but the results are no longer available due to the passage of time. Vanquis approved Miss L's application and issued a credit card with a £500 limit.

Miss L used her credit card and Vanquis went on to increase the credit limit as follows:

Event	Date	Limit
App	Jul-17	£500
CLI1	Mar-18	£1,500
CLI2	Aug-18	£2,250
CLI3	Jan-19	£3,000
CLI4	May-19	£3,500
CLI5	May-25	£6,000

Miss L used the credit card until November 2024 when the balance was repaid. A small balance of £19.95 was applied to the credit card in May 2025 then repaid.

Miss L complained that Vanquis lent irresponsibly and it issued a final response. Vanquis said it had carried out the relevant lending checks before approving Miss L's application and increasing the credit limit and didn't agree it lent irresponsibly.

An investigator at this service looked at Miss L's complaint. They ultimately reached the view that Vanquis' decisions to approve Miss L's credit card application and increase the limit was reasonable and weren't persuaded it lent irresponsibly. As a result, the investigator didn't uphold Miss L's complaint.

Miss L asked to appeal and said she had remained in persistent debt for years, and that she was regularly using a high percentage of the available credit limits which. Miss L added her other debts increased during this period and that the way Vanquis lent impacted her unreasonably.

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 lend or increasing the credit limit, the rules say Vanquis had to complete reasonable and proportionate checks to ensure Miss L could afford to repay the debt in a sustainable way. These affordability checks needed to be focused on the borrower's circumstances. The nature of what's considered reasonable and proportionate will vary depending on various factors like:

- The amount of credit;
- The total sum repayable and the size of regular repayments;
- The duration of the agreement;
- The costs of the credit; and
- The consumer's individual circumstances.

That means there's no set list of checks a lender must complete. But lenders are required to consider the above points when deciding what's reasonable and proportionate. Lenders may choose to verify a borrower's income or obtain a more detailed picture of their circumstances by reviewing bank statements for example. More information about how we consider irresponsible lending complaints can be found on our website.

I've set out the information Vanquis used when considering Miss L's application above. I can see Miss L confirmed she was working full time and had an annual income of £50,000. The credit search found no evidence of any adverse credit, missed payments or other signs Miss L was struggling to maintain her commitments. Miss L's existing debts were found to be around £18,000 and all up to date. I appreciate the figure may seem high, but I'm satisfied it was reasonable when compared to her income. I also note Miss L's mortgage payments were reasonably low at around £182 a month.

I'd normally expect to see an affordability assessment completed in addition to the other information obtained. But I'm satisfied the affordability assessment is no longer available due to the amount of time that's passed. I think it's reasonable to note the new credit card had a limit of £500 which was reasonably low and meant if making 5% repayments of the full available balance Miss L would pay £25 a month. Overall, having taken Miss L's income and credit file into account, I'm satisfied she had sufficient funds available to sustainably afford a credit card with a limit of £500. In my view, the available information shows Vanquis' decision to approve Miss L's application was reasonable and I haven't been persuaded it lent irresponsibly by doing so.

I can see Miss L incurred a number of late or overlimit fees in the months after her application was approved and before CLI1 was agreed. But I can see the account was up to date in the months before CLI1 was approved. However, given CLI1 tripled Miss L's existing credit limit and her history of fees I think it would've been reasonable for Vanquis to have

considered a more detailed approach before lending further. One option available would've been to review Miss L's bank statements for the preceding months to get a clearer picture of her circumstances. That's the approach I've taken.

In the three months before CLI1 was approved, Miss L's average income was £2,956. Miss L's average outgoings for items like her mortgage, general living expenses and credit commitments came to around £2,000. That means Miss L had around £950 a month available after covering her existing outgoings. In my view, Miss L's bank statements show she was able to sustainably afford repayments to an increased credit limit of £1,500. I think it's more likely than not that Vanquis would've still agreed to increase Miss L's credit limit to £1,500 if it had carried out better lending checks first. I haven't been persuaded Vanquis lent irresponsibly when it approved CLI1.

Before approving CLI2, taking the limit to £2,250, Vanquis looked at Miss L's credit file and account history. I can see Miss L's other debts had increased slightly since the application to around £19,750. But Miss L's other accounts were all well handled with no missed payments being recorded. And no defaults or other adverse credit were noted on Miss L's credit file either. I can see a late fee was applied in June 2018, but I note Miss L's balance in the three months before CLI2 was reasonable low. Miss L owed £282 in June 2018, £39.64 in July 2018 and £1,086 in August 2018 against a limit of £1,500.

In my view, Vanquis completed reasonable and proportionate checks before increasing Miss L's credit limit to £2,250 in August 2018. And I'm satisfied the decision to approve CLI2 was reasonable based on the information Vanquis obtained. I'm sorry to disappoint Miss L but I haven't been persuaded Vanquis lent irresponsibly.

Before approving CLI3 to £3,000 in January 2019 Vanquis again looked at Miss L's account history and credit file. Vanquis also asked Miss L to complete an income and expenditure assessment to show her circumstances at the time. I can see from Miss L's credit file that her unsecured commitments increased to around £22,840. But there were no missed payments or adverse credit recorded. Miss L had a late fee in the three months before CLI3 was approved and her outstanding balance was 93% of the existing credit limit. But by the time CLI3 was approved the account was up to date. And before increasing Miss L's credit limit, Vanquis completed an income and expenditure assessment with her.

Vanquis asked Miss L to confirm her net monthly income, housing costs and general living expenses. Miss L said she had an income of £3,189 a month, living expenses of £150 and a housing costs of £300. When taking Miss L's existing repayments into account, the total outgoings came to £1,570 a month against an income of £3,189. That left a disposable income of around £1,620 a month after covering Miss L's existing outgoings. Even accepting Miss L's general living expenses were likely to be higher than £150 a month, I'm satisfied there was enough flexibility in Miss L's disposable income for her to be able to sustainably afford her existing outgoings and an increased credit limit of £3,000. Overall, I'm satisfied the level and nature of the checks completed by Vanquis were reasonable and proportionate to the credit limit of £3,000 it went on to approve. And I'm satisfied the decision to approve a credit limit of £3,000 was reasonable based on the information Vanquis obtained. I'm sorry to disappoint Miss L but I haven't been persuaded that Vanquis lent irresponsibly when it approved CLI3.

CLI4 was approved in May 2019 taking the limit to £3,500. I think it's reasonable to note Miss L had completed an updated income and expenditure assessment with Vanquis four months earlier so it had up to date details about her circumstances. Miss L's other debts remained at around the same level as when CLI3 was approved. No new adverse credit, defaults or missed payments were noted on Miss L's credit file. Whilst there was a late payment in the preceding three months, Miss L's account balance was around 70% of the

existing credit limit and had remained around that level for some months. It doesn't appear Miss L was reliant on the Vanquis credit card for her everyday living expenses or to make ends meet each month.

Overall, I'm satisfied the checks completed by Vanquis were reasonable and proportionate to the £3,500 credit limit it approved. And I'm satisfied the information available showed Miss L was able to sustainably manage repayments to a credit limit of £3,500. I'm sorry to disappoint Miss L but I haven't been persuaded that Vanquis lent irresponsibly when it approved CLI4.

The credit limit was increased to £6,000 earlier this year but the evidence on file shows Miss L hasn't used the credit card to borrow over the previous credit limit of £3,500. Miss L repaid the balance in full at the end of 2024, only using the credit card again in May 2025 when a balance of £19.95 was accrued and repaid. As Miss L hasn't borrowed over the previous credit limit of £3,500 I don't need to make a finding on whether Vanquis lent irresponsibly by increasing it further.

In response to the investigator, Miss L said she remained in persistent debt, consistently making only the minimum payments. I take Miss L's point and can see that in 2018 and 2019 particularly her outstanding balance remained high when compared to the credit limit. But looking at Miss L's credit card history I can see that while some months she only made payments close to the minimum, there were regular instances where overpayments were made. I'm sorry to disappoint Miss L but I haven't been persuaded that Vanquis treated her unfairly during the period there was an outstanding balance on her credit card.

I've considered whether the business acted unfairly or unreasonably in any other way including whether the relationship 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 Miss L or otherwise treated her unfairly. I haven't seen anything to suggest that Section 140A or anything else would, given the facts of this complaint, lead to a different outcome here.

My final decision

My decision is that I don't uphold Miss L's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss L to accept or reject my decision before 27 November 2025.

Marco Manente
Ombudsman