

The complaint

Mr E complains that two credit card accounts with Vanquis Bank Limited weren't affordable for him and shouldn't have been provided to him.

What happened

Mr E applied to Vanquis Bank for a credit card account in August 2020. His application was accepted and a credit card account with a credit limit of £250 was opened for him. The account was closed in July 2022 and Mr E applied to Vanquis Bank for a new credit card account in February 2024. His application was accepted and a credit card account with a credit limit of £1,200 was opened for him.

Mr E complained to Vanquis Bank in March 2025 that it had been irresponsible to give him credit facilities due to his financial circumstances. It didn't uphold his complaint and said that, based on the information that it had reviewed, there was no reason for it to consider that it was irresponsible to have granted the credit facilities to him. Mr E wasn't satisfied with its response so complained to this service.

His complaint was looked at by one of this service's investigators who, having considered everything, didn't recommend that it should be upheld. She believed that Vanquis Bank made a fair lending decision when providing Mr E with a credit card in August 2020 and she didn't think that it was unfair in its decision to grant his application in February 2024.

Mr E didn't accept the investigator's recommendation and has asked for an ombudsman to issue a decision on his complaint. He says that he doesn't agree with the August 2020 lending decision as he had defaults and missed payments recorded on his credit file in the months prior to the approval. He's described his financial situation in February 2024 and says that any reasonable affordability check would have highlighted that he wasn't in a position to take additional credit responsibly.

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.

Mr E applied to Vanquis Bank for a credit card account in August 2020 and he declared that he had an annual income of £21,500. It says that it assessed his application using a credit scoring process and that his credit file was checked. Vanquis Bank was required to conduct reasonable and proportionate checks to ensure that any credit provided to Mr E was sustainably affordable for him at the time that the credit was made available to him. I consider that the checks that Vanquis Bank made were reasonable and proportionate for a credit card account with a credit limit of £250.

It says that those checks showed that Mr E had no county court judgments entered against him, that he hadn't defaulted on any debt for nine months and that his non-mortgage lending was £1,168. The evidence that Vanquis Bank has provided shows that Mr E had declared a monthly housing cost of £300 and that it calculated that his other monthly living costs were

£413, his monthly credit commitments were calculated to be £51 and that the product repayment amount was £21. It says that its affordability assessment showed that Mr E had enough disposable income to be able to afford a credit card account with a credit limit of £250. I consider that it was fair and reasonable, based on the reasonable and proportionate checks that it had conducted, for Vanquis Bank to conclude that Mr E could sustainably afford a credit card account with a credit limit of £250 at that time.

Mr E says that he had defaults and missed payments recorded on his credit file in the months prior to the approval. Vanquis Bank says that it aims to assist those individuals with moderate means to have access to credit products that may otherwise be unavailable to them and that levels of external lending and historic negative behaviour wouldn't necessarily lead to an application being declined, although those factors would be considered when assessing the level of credit to be granted. I'm not persuaded that there's enough evidence to show that Vanquis Bank shouldn't have opened a credit card account for Mr E in August 2020 or that it was irresponsible for it to have done so. The account was closed in July 2022.

Mr E applied to Vanquis Bank for a new credit card account in February 2024 and he declared that he had an annual income of £29,500. It says that it again assessed his application using a credit scoring process and that his credit file was checked. I consider that those checks were reasonable and proportionate for a credit card account with a credit limit of £1,200 and I don't consider that Vanquis Bank was required to obtain a more detailed understanding of Mr E's financial situation before providing that credit to him.

Vanquis Bank says that those checks showed that Mr E had no county court judgments entered against him, that he hadn't defaulted on any debt, and that his non-mortgage lending was £24,100, which remained within the levels set in its lending policy. The evidence that Vanquis Bank has provided shows that it calculated that Mr E's monthly living costs were £413, his monthly credit commitments were calculated to be £858 and that the product repayment amount was £63. It says that its affordability assessment showed that from an annual income of £29,500, Mr E was able to pay his housing costs, other living costs, capital commitments and the cost of the credit card account and that he'd been left with a monthly disposable income of £179, so a credit card account with a credit limit of £1,200 was affordable for him. I consider that it was fair and reasonable, based on the reasonable and proportionate checks that it had conducted, for Vanquis Bank to conclude that Mr E could sustainably afford a credit card account with a credit limit of £1,200 at that time.

Mr E has described his financial situation in February 2024 and his credit commitments. Vanquis Bank included monthly payments to his existing credit commitments of £858 in its affordability assessment, but Mr E has described payments of more than £1,000 each month and he says that any reasonable affordability check would have highlighted that he wasn't in a position to take additional credit responsibly. I consider that it was fair and reasonable for Vanquis Bank to include in its affordability assessment the information about Mr E's existing credit commitments that it had taken from his credit file. I've carefully considered all that Mr E has said and provided about his complaint, but I'm not persuaded that there's enough evidence to show that Vanquis Bank shouldn't have opened a credit card account for him in February 2024 or that it was irresponsible for it to have provided credit to him at that time.

I've also considered whether Vanquis Bank acted unfairly or unreasonably in some other way, including whether its relationship with Mr E might have been unfair under section 140A of the Consumer Credit Act 1974. Having done so, I've not seen anything that makes me think that that was likely to have been the case.

Mr E said in his complaint form that he'd like Vanquis Bank to delete any record of him having any credit with it, refund all of the interest that he's paid towards the credit cards and

pay him compensation for the significant hardship and distress that has been caused to him and his family. Vanquis Bank is required to report true and accurate information about Mr E's credit card accounts to the credit reference agencies. I've seen no evidence to show that the information that it's reported to the credit reference agencies about those accounts isn't true and accurate. I appreciate that my decision will be disappointing for Mr E, but I find that it wouldn't be fair or reasonable in these circumstances for me to require Vanquis Bank to remove any information about the accounts from Mr E's credit file, to refund any interest or to pay any compensation to him, or to take any other action in response to his complaint.

My final decision

My decision is that I don't uphold Mr E's complaint

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr E to accept or reject my decision before 6 November 2025.

Jarrold Hastings
Ombudsman