

The complaint

Mr B complains that Vanquis Bank Limited mis-sold a credit card to him and that it shouldn't have opened a credit card account for him.

What happened

Mr B had had two credit card accounts with Vanquis Bank, one that was opened in July 2014 and was closed in April 2016 and another that was opened in August 2021 and was closed in August 2022. He applied to Vanquis Bank for a credit card account in June 2023 and it opened an account for him with a credit limit of £1,200. The credit limit was increased by £900 to £2,100 in February 2025.

Mr B, acting through a legal representative, complained to Vanquis Bank in May 2025 that it was irresponsible of it to have provided him with credit because of his financial circumstances. It said that Mr B's complaint about the account that was opened in July 2014 wasn't made within the required timescales so it wasn't in a position to review it due to the time that had passed. It said that it believed that its decision to lend to Mr B in August 2021 was assessed fairly, accurately, and in line with its procedures for the amount of credit it approved, so it was satisfied that its lending decision wasn't irresponsible. It said that it had concluded that each lending decision made on the account that was opened in June 2023 was assessed fairly, accurately, and in line with its procedures for the amount of credit it approved, so it was satisfied that its lending decisions weren't irresponsible.

Mr B wasn't satisfied with its response so he complained to this service. He said in his complaint form that he believed that Vanquis Bank had mis-sold him a credit card as he was on a payment plan and it shouldn't have given him a credit card with a limit of £1,500 because his credit report showed that he was over £4,000 in debt.

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 set out the reasons that she didn't think that this service could look into a complaint about the account that was opened in July 2014 and she said that she was satisfied that the affordability checks that were completed for the account that was opened in August 2021 showed that the credit agreement was likely to have been sustainably affordable.

The investigator said that Vanquis Bank gathered a reasonable amount of evidence and information from Mr B regarding his ability to repay the account that was opened in June 2023 and she was satisfied that the checks that were completed showed that the agreement was likely to be sustainably affordable. She didn't think that Vanquis Bank acted unfairly when increasing the credit limit on that account.

Mr B didn't accept the investigator's recommendation and asked for his complaint to be considered by an ombudsman. He says that he disagrees that his annual income was £20,000 and that the affordability assessment doesn't take into account his care charges and other expenses. He says that the medication that he was taking meant that he had a big appetite which increased his expenditure on food.

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.

Both Vanquis Bank and the investigator made findings about Mr B's three credit card accounts with Vanquis Banks but I consider the complaint that he made to this service to have only been about the account that was opened in June 2023. He said in his complaint form that he believed that Vanquis Bank had mis-sold him a credit card as he was on a payment plan and it shouldn't have given him a credit card with a limit of £1,500 (I consider that that should have been £1,200) because his credit report showed that he was over £4,000 in debt. I consider that what he's said refers to the account that was opened in June 2023 and not to the other two accounts.

If I'm wrong about that and Mr B's complaint is about all three credit card accounts, I consider that the conclusions that the investigator made about the accounts that were opened in July 2014 and August 2021 were correct and my findings wouldn't be different to her conclusions.

Vanquis Bank has described the checks that it made before it opened a credit card account for Mr B in June 2023. It says that it completed a full credit search and looked at information on his current borrowing levels, his repayment history, any arrears and any defaulted accounts, which showed no county court judgments against him and no defaults. It says that Mr B had said in his application that he was unemployed and had an annual income of £20,000. It says that Mr B's existing borrowing, including credit cards and loans (but not any mortgages), was shown to be around £4,000 and that, with the other information supplied, that showed that the credit card account was affordable for Mr B within the levels set in its lending policy. It says that after completing its credit scoring, and in line with its policy of offering an affordable level of borrowing, it offered Mr B an initial credit limit of £1,200.

Vanquis Bank was required to make reasonable and proportionate checks to ensure that any borrowing was affordable for Mr B. Mr B had applied for a credit card account and I consider that the checks that it made were reasonable and proportionate for an account with a credit limit of £1,200. Vanquis Bank conducted an affordability assessment and calculated that Mr B had a disposable income of about £619. The minimum monthly payment required to the account if Mr B used the full credit limit would be about £60 and I consider that it was fair and reasonable for Vanquis Bank to conclude, on the basis of the reasonable and proportionate checks that it had made, that a credit card account with a credit limit of £1,200 was sustainably affordable for Mr B at that time.

Mr B says that he disagrees that his annual income was £20,000 and he's provided copies of his bank account statements for the period from February 2022 to June 2023. I've looked at those statements and I can see that Mr B received benefit payments in March, April and May 2023 of £1,188.12, £1,655.70 and £2,214.79, which is a monthly average of £1,686.20 and equates to an annual income of £20,234. I've seen no evidence to show that Vanquis Bank obtained any evidence from Mr B to show that his declared income of £20,000 was correct, but if it had asked him for copies of his bank statements, I consider it to be likely that it would have been satisfied that Mr B's annual income was about £20,000.

Vanquis Bank says that it took account of Mr B's existing borrowing of about £4,000 in its affordability assessment and it included £226 each month for his existing credit commitments in that assessment. Mr B says that the affordability assessment doesn't take into account his care charges and other expenses and that the medication that he was taking meant that he had a big appetite which increased his expenditure on food. Vanquis Bank's affordability assessment included £560 for living expenses and I'm not persuaded that increasing Mr B's living expenses to include care charges and a reasonable increase in food expenditure would have caused a credit card account with a credit limit of £1,200 to have been unaffordable for him.

Vanquis Banks says that it sets credit limits appropriate to its customers' circumstances and that they're typically low to start with, and designed to help a customer build their credit rating. It says that when a customer manages their account well, it reviews the account and can offer to increase the credit limit if its lending criteria are met. It says that it offered Mr B a credit limit increase of £900 to £2,100 in February 2025. It says that it had made relevant checks to ensure that it was making a responsible lending decision and there were no new county court judgments or newly defaulted debt against Mr B and his total outstanding external lending (excluding mortgage debt) was about £4,230. It says that the checks confirmed that the increase was affordable for Mr B within the levels set in its lending policy and Mr B accepted the offer to increase his credit limit.

I've seen no evidence to show that Mr B's use of the account showed that Vanquis Bank shouldn't have offered him a credit limit increase. I consider that the checks that Vanquis Bank made before increasing Mr B's credit limit were reasonable and proportionate for a £900 increase in his credit limit to £2,100. I also consider that it was fair and reasonable for Vanquis Bank to conclude, on the basis of those reasonable and proportionate checks, that such a credit limit was sustainably affordable for Mr B at that time.

I've also considered whether Vanquis Bank acted unfairly or unreasonably in some other way, including whether its relationship with Mr B 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.

I appreciate that my decision will be disappointing for Mr B, but I'm not persuaded that there's enough evidence to show that Vanquis Bank has acted incorrectly in these circumstances. I find that it wouldn't be fair or reasonable for me to require Vanquis Bank to refund any interest to Mr B, to pay him any compensation or to take any other action in response to his complaint.

My final decision

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

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr B to accept or reject my decision before 24 September 2025.

Jarrold Hastings
Ombudsman