

## The complaint

Mrs M complains Vanquis Bank Limited irresponsibly lent to her.

## What happened

Mrs M was approved for a Vanquis credit card in August 2021, with a credit limit of £500. I have detailed the credit limit increases below:

March 2022	£500 to £850
July 2022	£850 to £1,450
December 2022	£1,450 to £2,500
April 2023	£2,500 to £3,500

Mrs M says that Vanquis irresponsibly lent to her. Mrs M made a complaint to Vanquis, who did not uphold her complaint. They said that each lending decision was assessed fairly, accurately and in line with their procedures. Mrs M brought her complaint to our service.

Our investigator did not uphold Mrs M's complaint. She said that Vanquis' checks were proportionate, and they made fair lending decisions. Mrs M asked for an ombudsman to review her complaint. She said that Vanquis would have been able to see that every time her credit limit was increased her overall debt was getting bigger. She said paying on time and more than what was asked for was due to her juggling her other cards. She said Vanquis did not ask to see proof of income, and if they did, they would have seen she used an overdraft every month.

## 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 Mrs M, Vanquis needed to make proportionate checks to determine whether the credit was affordable and sustainable for her. 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 Mrs M'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 Mrs M had provided before approving her application.

The information showed that Mrs M declared she was employed with a net monthly income

of £936 a month. The CRA reported that Mrs M had defaulted on a credit agreement in the past, with the last default being registered 44 months prior to the application checks.

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.

The CRA showed Mrs M had active unsecured debt of £4,783 at the time the checks were completed. The checks showed that Mrs M had not been in arrears on any of her active accounts in the last 12 months prior to the checks. The CRA did not report any County Court Judgements (CCJ's) on her credit file. None of her active accounts were in an arrangement to pay.

I've considered what Mrs M has said about Vanquis not asking for proof. But they are not required to ask for things such as payslips/bank statements as part of each lending decision. And lenders sometimes have tools in place to verify declared income without these documents, such as Current Account Turnover, which is an industry standard way of assessing income, or other information from a CRA. Here, Vanquis' checks show they were able to verify Mrs M's income.

Vanquis completed an affordability assessment, and they were aware of Mrs M's unsecured loan monthly repayments based on information a CRA gave them. The affordability assessment showed that the repayments for a £500 credit limit should be affordable and sustainable for Mrs M.

So I'm persuaded that Vanquis' checks were proportionate here, and they made a fair lending decision to approve the account and provide Mrs M with a £500 credit limit.

#### *March 2022 credit limit increase - £500 to £850*

The CRA reported Mrs M had £5,810 of active external unsecured debt, which was not significantly higher than the unsecured debt at the time of the application checks. None of her active external accounts had been in arrears since the Vanquis account had been opened.

Vanquis would also have been able to see how Mrs M used her Vanquis account since account opening. Mrs M incurred no late or overlimit fees on this account since it was opened.

Mrs M had been making repayments to her account which far exceeded her minimum required repayment leading up to the credit limit increase, which I wouldn't expect Mrs M to be able to do if she was financially struggling leading up to this lending decision. And these weren't showing as balance transfers from other providers, so it wouldn't be apparent to Vanquis if Mrs M was using other cards to meet her Vanquis repayments, especially as the payments were typically a lot higher than what was requested.

Vanquis completed another affordability assessment which included information from Mrs M, which showed that the repayments for the £850 credit limit would be affordable and sustainable for Mrs M. So it wouldn't have been proportionate for them to have made further checks for this lending decision.

So I'm persuaded that the checks Vanquis completed prior to this lending decision were proportionate, and they made a fair lending decision to increase Mrs M's credit limit here.

*July 2022 credit limit increase - £850 to £1,450*

A CRA reported that Mrs M had £9,675 of active unsecured debt with third parties at the time they completed their checks, which was higher than the last lending decision. No active accounts were in arrears at the time of the checks, and there were no active accounts in arrears since the last lending checks.

Vanquis would also have been able to see how Mrs M used her Vanquis account since the last credit limit increase. Mrs M had not incurred any late payment or overlimit fees since the last lending decision.

Although Mrs M's active unsecured external debt had increased, she did not appear hungry for credit. I say this as the most she had utilised of her Vanquis credit limit was 8%. Prior to the credit limit increase for this lending decision she had cleared the balance of her Vanquis account.

Mrs M again made higher repayments than what her minimum repayment would be, and these were showing as debit card payments, not via other cards such as credit or store cards. So I wouldn't expect Vanquis to make further checks to verify her income or expenditure here.

Vanquis completed an affordability assessment prior to increasing the credit limit using information from more than one source. And again Mrs M appeared to have a sufficient disposable income to be able to afford repayments for a credit limit of £1,450, even though Vanquis would have been able to factor in her higher debt repayments. So it wouldn't have been proportionate for Vanquis to have asked for further proof of income/expenditure leading up to this lending decision.

So I'm persuaded that Vanquis' checks were proportionate, and they made a fair lending decision to approve the credit limit increase here.

*December 2022 credit limit increase - £1,450 to £2,500*

A CRA reported that Mrs M had £11,023 of active unsecured debt with third parties at the time they completed their checks, which was not significantly higher than at the last lending decision. No active accounts were in arrears at the time of the checks, and again, there were no active accounts in arrears since the last lending checks.

Mrs M again did not incur any late payment or overlimit fees since the last lending decision on her Vanquis account. The most she had utilised of her Vanquis credit limit was 9%. Prior to the credit limit increase for this lending decision, she had again cleared the balance of her Vanquis account.

Mrs M again made higher repayments than what her minimum repayment would be, and again these were showing as debit card payments, not via other cards such as credit or store cards.

Vanquis completed an affordability assessment prior to increasing the credit limit using information from more than one source. And again Mrs M appeared to have a sufficient disposable income to be able to afford repayments for a credit limit of £2,500, and Vanquis would have been able to factor in her higher debt repayments. So it wouldn't have been proportionate for Vanquis to have asked for further proof of income/expenditure leading up to this lending decision.

So I'm persuaded that Vanquis' checks were proportionate, and they made a fair lending

decision to approve the credit limit increase here.

*April 2023 credit limit increase - £2,500 to £3,500*

A CRA reported that Mrs M had £11,023 of active unsecured debt with third parties at the time they completed their checks, which was not significantly higher than at the last lending decision. No active accounts were in arrears at the time of the checks, and again, there were no active accounts in arrears since the last lending checks.

Mrs M again did not incur any late payment or overlimit fees since the last lending decision on her Vanquis account. The most she had utilised of her Vanquis credit limit was 44%. Vanquis completed an affordability assessment prior to increasing the credit limit, and again Mrs M appeared to have a sufficient disposable income to be able to afford repayments for a credit limit of £3,500, with Vanquis being able to factor in her higher debt repayments.

So it wouldn't have been proportionate for Vanquis to have asked for further proof of income/expenditure leading up to this lending decision. So I'm persuaded that Vanquis' checks were proportionate, and they made a fair lending decision to approve the credit limit increase here.

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 Mrs M or otherwise treated her 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. So it follows I don't require Vanquis to do anything further.

### **My final decision**

I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs M to accept or reject my decision before 24 November 2025.

Gregory Sloanes  
**Ombudsman**