

The complaint

Miss T complains that Vanquis Bank Limited (“Vanquis”) lent to her irresponsibly and that the loan it provided her with was unaffordable.

What happened

In November 2022 Miss T applied for and received a loan from Vanquis. It was in the principal sum of £4,500; for an 18-month term; with an interest rate of 23.9% APR and monthly repayments of £292.76 so that the total amount repayable was £5,269.68.

In May 2025, Miss T complained to Vanquis. She said that it was irresponsible of them to provide her with the loan because of her financial circumstances; and that they did not carry out sufficient checks before agreeing to lend to her.

Vanquis looked into the complaint and issued a final response letter in June 2025. They thought they had carried out reasonable and proportionate checks into Miss T’s circumstances and weren’t satisfied that it was irresponsible of them to provide the loan. They didn’t uphold the complaint.

Miss T didn’t accept Vanquis’s response and therefore referred her complaint to our service. One of our Investigators looked into it. He felt that Vanquis had accurately checked Miss T’s income; did assess her expenditure; and estimated her disposable monthly income. Given the amount being borrowed, the term of the loan, the searches made, and the information available (including supplied by Miss T), he felt that Vanquis had carried out reasonable borrower focussed checks on her application and had reached a fair decision to lend to her. He didn’t recommend that her complaint be upheld.

Vanquis didn’t dispute this position but Miss T did and asked for an Ombudsman’s decision. So the complaint has been passed to me to decide.

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.

Our approach to complaints about irresponsible and unaffordable lending is set out in detail on our website. I’ve used this approach to help me decide Miss T’s complaint. For example, I’ve considered the rules and guidance on responsible lending relevant to the time of the lending decision set out in the Financial Conduct Authority’s (“FCA”) Consumer Credit Sourcebook (“CONC”).

In summary, Vanquis needed to carry out reasonable and proportionate checks before lending to ensure they did not lend to Miss T irresponsibly.

There is no set list of the checks Vanquis had to do. What constitutes a proportionate affordability check will depend upon a number of factors including, but not limited to, the amount, type and cost of the credit Miss T was seeking as well as her overall financial

circumstances. I've kept all of this in mind when thinking about whether Vanquis did what they needed to do before lending to Miss T.

When Miss T applied for the loan, she said she was working full-time and a monthly income of £2,123 was recorded. Miss T also said she was living with parents at the time and didn't declare any housing costs. Miss T also provided a payslip which was reviewed by Vanquis. The checks did flag a discrepancy with Miss T's income. As I understand it, she declared a monthly income of £2,123 but provided a payslip with a net monthly income of £1,666. Vanquis based their lending decision on the lower of these figures. So Vanquis did take reasonable steps to understand more about Miss T's actual income.

Vanquis went on to assess her monthly expenditure based on statistical information. Their assessed expenditure comprised living costs of £527 and existing credit repayments of £586; a total of £1,113.

The applicable rules and guidance do not require a lender to see full evidence of expenditure in every case. Instead the lender has discretion about how they conduct checks to satisfy themselves that lending is affordable to applicants, provided the checks are reasonable and proportionate. This includes the consideration of statistical data where it is reasonable and proportionate to do so, as I think was the case here.

Based on the net monthly income of £1,666 and the assessed expenditure of £1,113, Miss T's monthly income after expenditure was £553 against the £292.76 monthly repayments on this loan, leaving some £260 of disposable monthly income.

Vanquis also examined Miss T's existing credit commitments. Her credit file showed ten existing credit accounts with balances totalling some £15,500, principally motor finance. No defaults or County Court Judgments ("CCJs") were shown by the credit search.

Overall, Vanquis's checks showed that Miss T's existing credit was being serviced without any recorded issues and it appeared that she had sufficient disposable income to meet the repayments.

Therefore, whilst it will likely come as a disappointment to Miss T, I think the checks carried out by Vanquis were reasonable and proportionate and, based on all the information gathered, I don't think Vanquis treated her unfairly in their decision to provide her with this loan.

I've considered Miss T's points about the affordability of the loan and the difficulties she went on to face. However, I can't see that this would have been foreseeable for Vanquis at the time they lent to her. I've not seen anything in the checks Vanquis carried out that ought to have caused them to need to understand more about her circumstances, or to take the decision not to have lent at all.

In reaching my conclusions, I've also considered whether the relationship between Miss T and Vanquis might have been unfair to Miss T under Section 140A of the Consumer Credit Act 1974 ("CCA"). However, for the reasons I've already given, I don't think that Vanquis lent irresponsibly to Miss T or otherwise treated her unfairly in relation to this matter. Nor have I seen anything to suggest that Section 140A would, given the facts of this complaint, lead to a different outcome here.

My final decision

My final decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss T to accept or reject my decision before 31 December 2025.

Richard Ellison
Ombudsman