

The complaint

Miss L complains that Vanquis Bank Limited irresponsibly lent to her.

What happened

Miss L was approved for a Vanquis credit card in October 2024, with a £2,000 credit limit. Miss L says that this was irresponsibly lent to her. Miss L made a complaint to Vanquis, who did not uphold her complaint. They said their decision to lend was assessed fairly and accurately for the amount of credit they approved. Miss L brought her complaint to our service.

Our investigator did not uphold Miss L's complaint. He said that Vanquis' checks were proportionate and they made a fair lending decision. Miss L asked for an ombudsman to review her complaint. She said that the disposable income Vanquis had calculated for her did not reflect her high pension contributions, credit commitments, and buy now pay later purchases. She said a simple review of her bank statements would have shown she was already overcommitted and struggling to make her commitments.

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 the credit available to Miss L, 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.

The information showed that Miss L declared a gross annual income of £29,750. The CRA reported that Miss L had no County Court Judgements (CCJ's), no defaulted accounts and she had no active accounts in arrears at the time of the checks. Miss L had no arrears on any active accounts in the 12 months prior to the application checks, so it didn't appear she had any recent financial difficulty.

The CRA informed Vanquis that Miss L had unsecured debt of £7,011, so she would have had an unsecured active debt to declared gross annual income of around 23.6%. So it wouldn't appear that she was overindebted at the time of the checks.

Vanquis also completed an affordability assessment for Miss L. While Miss L has mentioned her pension payments and other outgoings she had, she declared no outgoings to Vanquis. But Vanquis didn't just take Miss L's word for this. They completed an affordability assessment for her. They used information that Miss L had provided, modelling to estimate Miss L's outgoings - which is an industry standard way of estimating outgoings, and information from a CRA about Miss L's monthly credit commitments.

The affordability assessment suggests that Miss L would comfortably be able to afford sustainable repayments for a £2,000 credit limit. Even though Miss L hadn't declared any living costs, Vanquis used a higher monthly figure of £571, based on modelling. They also used information from a CRA regarding monthly payments for accounts showing on her credit file. And Miss L completed a balance transfer from another card to Vanquis, so as she was benefitting from a promotional interest rate, then she may have had even more disposable income than what Vanquis had calculated for her.

Vanquis are not required to request further information such as bank statements from a potential customer for each lending decision they make. This wouldn't be proportionate. And I'm not persuaded that it would have been proportionate for this lending decision for Vanquis to have made further checks here as Miss L had no adverse information on her credit file including current or recent arrears, they gave her an opportunity to declare her outgoings and when she didn't declare anything, they made a further check by completing an affordability assessment, which showed she would have enough disposable income to make sustainable and affordable repayments.

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

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 Miss L 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.

My final decision

I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss L to accept or reject my decision before 19 February 2026.

Gregory Sloanes
Ombudsman