

## **The complaint**

Miss C complains that Vanquis Bank Limited lent irresponsibly when it approved her credit card application.

## **What happened**

Miss C applied for a Vanquis credit card in July 2024. In her application, Miss C said she had an annual income of £39,700 that Vanquis calculated left her with around £2,585 a month net. Miss C also confirmed she was paying £750 a month in rent. Vanquis carried out a credit search and found Miss C had existing debts totalling around £8,100 with monthly repayments of £253. No adverse credit, defaults or recent missed payments were noted on Miss C's credit file.

Vanquis completed an affordability assessment and took Miss C's income of £2,585 a month, rent of £750, credit commitments of £253 and an estimate of her general living expenses of £896. Vanquis also calculated monthly payments of £38 for a new credit card with a limit of £600. Vanquis says that after taking Miss C's regular outgoings and new credit card payment into account she had a disposable income of £561 a month. Vanquis approved the application and issued a credit card with a limit of £600.

Miss C's account fell into arrears and was ultimately closed at default. More recently, Miss C complained that Vanquis lent irresponsibly and it issued a final response. Vanquis said it had carried out the relevant lending checks before approving Miss C's application and didn't agree it lent irresponsibly.

An investigator at this service looked at Miss C's complaint. They thought Vanquis completed reasonable and proportionate checks before approving Miss C's application. The investigator wasn't persuaded Vanquis lent irresponsibly and didn't uphold Miss C's complaint.

Miss C asked to appeal and said the income figure used was higher than her actual pay. Miss C said that using an income figure of £2,200 a month she would've had around £301 remaining as a disposable income based on the figures Vanquis used. Miss C also said Vanquis had failed to provide support when she experienced difficulties making repayments. As Miss C asked to appeal, her complaint has been passed to me to make a decision.

## **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 lend, the rules say Vanquis had to complete reasonable and proportionate checks to ensure Miss C could afford to repay the debt in a sustainable way. These affordability checks needed to be focused on the borrower's circumstances. The nature of what's considered reasonable and proportionate will vary depending on various factors like:

- The amount of credit;
- The total sum repayable and the size of regular repayments;
- The duration of the agreement;
- The costs of the credit; and
- The consumer's individual circumstances.

That means there's no set list of checks a lender must complete. But lenders are required to consider the above points when deciding what's reasonable and proportionate. Lenders may choose to verify a borrower's income or obtain a more detailed picture of their circumstances by reviewing bank statements for example. More information about how we consider irresponsible lending complaints can be found on our website.

I've set out the information that Vanquis used when considering Miss C's application above. I can see Miss C gave her income and Vanquis has explained it verified the figure provided against the occupation listed. Vanquis also calculated a net monthly figure of £2,585 although I understand Miss C says the reality was closer to £2,200.

The credit search showed Miss C's existing debts were well maintained with no adverse credit or recent arrears recorded. I can see Miss C owed around £8,100 already with monthly repayments of £253. In response to the investigator, Miss C said she had other debts that weren't showing on her credit file. But I think that by checking Miss C's credit file Vanquis sought to verify how much she owed and what her monthly repayments were. In my view, that was a reasonable approach. I haven't seen anything in the credit file information that indicated Miss C was struggling or overcommitted at the time. I'm satisfied Vanquis checked Miss C's credit file and factored the information obtained into its lending assessment.

Vanquis completed an affordability assessment that reached the view Miss C had around £561 as a disposable income each month. I understand that's based on the net monthly income figure of £2,585 and Miss C says she was earning less. But I think the figure Vanquis used was reasonable in the context of Miss C's application. Deductions for Miss C's rent, existing debts, new credit card payment and general living expenses were all made.

I understand Vanquis relied on an estimate of Miss C's general living expenses – an approach it's allowed to take under relevant lending rules. And I think it's reasonable to note the credit limit of £600 was reasonably modest which reduced the risk of financial harm to Miss C. I'm satisfied the use of an estimate for Miss C's outgoings was proportionate to the credit limit of £600.

Taking all the available information together, I'm satisfied the level and nature of checks completed were proportionate to the £600 credit card Vanquis went on to approve. And I'm satisfied the decision to approve Miss C's application was reasonable based on the information that Vanquis obtained. I'm sorry to disappoint Miss C but I haven't been persuaded that Vanquis lent irresponsibly when it approved her credit card application.

I've considered whether the business acted unfairly or unreasonably in any other way including whether the relationship might have been unfair under Section 140A of the Consumer Credit Act 1974. However, for the reasons I've already given, I don't think Vanquis lent irresponsibly to Miss C or otherwise treated her unfairly. I haven't seen anything to suggest that Section 140A or anything else would, given the facts of this complaint, lead to a different outcome here.

After the investigator's view of Miss C's complaint was issued she contacted us to raise concerns about the late payment markers applied to her credit file, date of default and sale of the debt to another business by Vanquis. Those issues fall outside the scope of the

complaint we've looked at here which relates to the irresponsible lending case Miss C referred. Before we can consider any other points, Vanquis will need to be given the chance to investigate and issue a response to Miss C's complaint. If Miss C remains unsatisfied with the final response, she has the right to refer the matter to this service for review.

### **My final decision**

My decision is that I don't uphold Miss C's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss C to accept or reject my decision before 12 February 2026.

Marco Manente  
**Ombudsman**