

The complaint

Mr E complains that Vanquis Bank Limited lent irresponsibly when it approved his credit card application.

What happened

Mr E applied for a Vanquis credit card in May 2019. In his application, Mr E said he was employed part time with an annual income of £12,000 or £1,000 a month. Mr E also said he had regular living expenses of £250 a month and rent of £375. A credit search was completed that found no evidence of any adverse credit like County Court Judgements, defaults, IVAs, payday lending or recent missed payments. A current account was found on Mr E's credit file but no outstanding debts were noted.

Vanquis carried out an affordability assessment and used Mr E's income of £1,000 a month. Vanquis used a higher outgoings figure of £378 from Mr E's general living expenses along with his rent of £375 a month. Vanquis reached the view Mr E had around £245 a month remaining after covering his existing outgoings and says that was sufficient to cover the monthly repayments of £34. Vanquis approved Mr E's application and issued a credit card with a limit of £500.

Mr E used his credit card over the following years, sometimes clearing the outstanding balance for several months at a time. In April 2025 Mr E's account fell into arrears and it was ultimately closed at default with the outstanding balance being sold to a third party.

Around February 2025 representatives from the Citizens' Advice Bureau (CAB) contacted Vanquis on Mr E's behalf to ask place a 42 day hold on interest and provide information about the status of Mr E's account. CAB attempted to call and emailed Vanquis again but have explained no response was received. The complaint was then referred to this service to consider.

An investigator looked at Mr E's irresponsible lending complaint. They thought Vanquis completed reasonable and proportionate checks before approving Mr E's application and didn't agree it lent irresponsibly. In addition, the investigator wasn't persuaded Mr E's account history would've shown Vanquis he was experiencing financial difficulties.

Mr E's representatives asked to appeal and said he had always been in receipt of benefit income and that he wasn't working part time. Mr E's representatives also advised that Vanquis had failed to respond to them or engage when contacted to request breathing space and support. The investigator confirmed they had contacted Vanquis about the lack of engagement and that the issue would be dealt with separately to Mr E's irresponsible lending complaint. As Mr E asked to appeal his 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 Mr E 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 Mr E provided in his application to Vanquis. That confirmed Mr E was working part time with an annual income of £12,000. Vanquis went on to use a monthly income figure of £1,000. Mr E also confirmed he was renting at £375 a month and gave general living costs of £250. But when Vanquis completed its affordability assessment, it used a higher amount of £378 a month for Mr E's general living expenses.

I think it's fair to note that the credit file results indicated Mr E was in a stable position at the time. No other outstanding debts were noted. And no adverse credit or missed payments of any sort were found on Mr E's credit file.

Vanquis' affordability assessment reached the view Mr E had a disposable income of around £245 a month which was sufficient to cover repayments to a new credit card with a limit of £500. I think that was a reasonable conclusion to reach based on the information Vanquis obtained.

In response to the investigator, Mr E's representative said he was in receipt of benefit income when the application was made, not working part time. But I think Vanquis acted fairly when basing its decision on the income details Mr E provided. The income level was reasonably modest and Mr E had no other debts. Mr E's rent and other living expenses were factored into Vanquis' assessment. I haven't seen anything that would've led Vanquis to take the position Mr E wasn't working when looking at the available information.

In my view, the level and nature of the checks completed by Vanquis were reasonable and proportionate to the amount and type of credit it went on to approve. And I'm satisfied the decision to approve Mr E's application and issue a credit card with a £500 limit was reasonable based on the information Vanquis obtained. I'm very sorry to disappoint Mr E but I haven't been persuaded Vanquis lent irresponsibly when it approved his application.

I've looked at the way Mr E used the account to see if Vanquis missed any signs of ongoing financial difficulties or that he needed support. But the account history shows that until earlier this year, Mr E's payments were made on time except for an isolated late fee in 2022. Mr E's balance was consistently below the agreed credit limit as well. Overall, I haven't seen anything that would've indicated to Vanquis Mr E needed support or that the credit card repayments weren't manageable.

I understand Mr E has concerns that Vanquis failed to engage with his representative earlier this year when he struggled with repayments. I can see our investigator has already explained this issue can be referred to Vanquis separately. If Mr E remains unsatisfied with Vanquis' response he has the option to refer his complaint to this service for consideration.

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 Mr E or otherwise treated him 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.

My final decision

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

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr E to accept or reject my decision before 25 November 2025.

Marco Manente
Ombudsman