

The complaint

Miss A complains Vanquis Bank Limited (“Vanquis”) irresponsibly lent to her.

What happened

In February 2017 Miss A applied for a credit card with Vanquis. The application was accepted, and Vanquis provided Miss A with an initial limit of £500.

In July 2017 Vanquis increased the limit to £1,000 and again in June 2018 to £1,750. There were no further increases after this and the limit remained at £1,750 at the time of the complaint.

Miss A complained to Vanquis in 2025. She said she believes it was irresponsible for Vanquis to lend to her at the time and she was unable to afford the repayments. Vanquis responded to the complaint in August 2025.

Vanquis rejected the complaint. They said they completed credit reference agency (CRA) checks which showed Miss A had a low amount of existing debt and had an annual income of £12,000. Miss A didn’t agree, so she referred her complaint to our Service.

An Investigator here looked into things. They said for both the account opening and the limit increases Vanquis didn’t complete proportionate checks, but having reviewed Miss A’s statements, if proportionate checks were carried out, Vanquis more likely than not would’ve lent to Miss A.

Miss A didn’t agree with the opinion. She said much of the income in her current account was her partners and not hers, and there was gambling prevalent on the statements too.

Because an agreement couldn’t be reached, 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.

Having done so, I’ve reached the same outcome as the Investigator. I know this is likely to disappoint Miss A, but I’ll explain my reasoning below.

The rules and regulations in place at the time Vanquis provided Miss A with the credit card required them to carry out a reasonable and proportionate assessment of whether she could afford to repay what she owed in a sustainable manner. This is sometimes referred to as an ‘affordability assessment’ or ‘affordability check’.

The checks had to be ‘borrower’ focused. This means Vanquis had to think about whether repaying the credit sustainably would cause difficulties or adverse consequences for Miss A. In other words, it wasn’t enough for Vanquis to consider the likelihood of them getting the

funds back or whether Miss A's circumstances met their lending criteria – they had to consider if Miss A could sustainably repay the lending being provided to her.

Checks also had to be 'proportionate' to the specific circumstances of the lending. In general, what constitutes a proportionate affordability check will be dependent on a number of factors including – but not limited to – the particular circumstances of the consumer (e.g. their financial history, current situation and outlook, any indications of vulnerability or financial difficulty) and the amount/type/cost of credit they were seeking. I've kept all of this in mind when thinking about whether Vanquis did what was needed before lending to Miss A.

Account opening – March 2017

When Miss A applied for a card, Vanquis gathered information regarding her financial circumstances. It recorded that her household was earning an annual income of around £12,000 per year and had outstanding debt of around £82. Miss A had no defaults at the time of application. This was collated using the information Miss A declared at application, and an external credit check.

I believe the checks Vanquis carried out were proportionate, and considering the amount being provided to Miss A, and the information they gathered in these checks, I don't think they acted unfairly when providing her with the credit card. I say this because it was for a modest amount of £500, and there were no signs of financial difficulty in the past. It wouldn't be a significant cost for Miss A to repay this credit in a reasonable period of time based on her income and existing credit commitments.

Credit limit increase one – July 2017

At the point of the first increase, Miss A's external debt had increased slightly but the account had been well managed. She wasn't utilising much of the credit limit and she was making significant overpayments.

What I mean by this is, each month Vanquis require Miss A to make at least the minimum repayment towards her credit balance. In the lead up first limit increase, Miss A had paid 587% of what was owed. This is significantly more than was due, and would put Vanquis on notice that she was able to afford the increase. There's nothing in the way the account was managed that would imply Miss A was struggling financially. So, it follows I believe the checks Vanquis carried out were proportionate.

Credit limit increase two – June 2018

Again, for the second increase, Miss A was only utilising 14% of the available which would indicate the Vanquis she wasn't struggling or reliant on the use of credit. She also made significant over payments of around 3000% of what was due. Therefore, I don't think Vanquis needed to carry out additional checks and am satisfied their checks were proportionate.

I note what Miss A has said regarding gambling, and I'm sorry she was struggling with this. But because I don't think Vanquis needed to do more, there's no way they ought reasonably to have been aware she was struggling either financially or with gambling. There were no indicators of financial difficulty either on the credit report they obtained at the point of each lending decision, or in the way she managed the account.

In reaching my conclusions, I've also considered whether the lending relationship between Vanquis and Miss A might have been unfair to Miss A under s140A of the Consumer Credit

Act 1974 (“CCA”). However, for the reasons I’ve already explained, I’m satisfied that Vanquis did not lend irresponsibly when providing Miss A with the credit card or subsequent increases. And I haven’t seen anything to suggest that s140A CCA would, given the facts of this complaint, lead to a different outcome here.

So, while it’ll likely come as a disappointment to Miss A, I won’t be upholding her complaint against Vanquis for the reasons explained above.

My final decision

It’s my final decision that I do not uphold Miss A’s complaint against Vanquis Bank Limited.

Under the rules of the Financial Ombudsman Service, I’m required to ask Miss A to accept or reject my decision before 3 December 2025.

Meg Raymond
Ombudsman