

The complaint

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

What happened

In July 2023 Miss A applied for a loan with Vanquis. The application was approved and she was provided a loan for £2,000 to be repaid over 36 months with a monthly repayment amount of £81.17.

Miss A complained to Vanquis in August 2025. She said she feels Vanquis didn’t carry out proper checks because it didn’t ask for her income or for bank statements. She’s unhappy Vanquis sold the debt without letting her know. She’s now in a debt management plan with a third-party debt management charity, but feels Vanquis ought to have stepped in to support her sooner.

Vanquis provided its final response in August 2025. It said at the time of application, it reviewed Miss A’s income and expenditure and Vanquis says it’s satisfied with the lending decision it made at the time. It said it’s in the terms of conditions that it can sell the debt and Miss A was sent a Notice of Assignment letter instructing her who would now be managing the account.

Miss A was unhappy with the response, so referred her complaint to our Service. An Investigator here looked into things. They said they felt the checks Vanquis carried out at the time weren’t proportionate, so they asked Miss A for copies of her bank statements from the time.

Having reviewed these, the Investigator felt that Miss A had enough disposable income to repay the loan once all of her expenditure was deducted from her income. The Investigator also said Vanquis didn’t do anything wrong when selling the debt on.

Miss A didn’t agree – she said the income transferred by her partner wasn’t hers, but the Investigator explained the statements show different. Miss A reiterated the money sent to her by her partner wasn’t hers and she feels she’s being penalised for this. She’s also mentioned gambling.

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 for the same reasons. 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 loan 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.

I'd like to start by addressing Miss A's comments around not feeling listened to that Vanquis' checks weren't proportionate. Both the Investigator and myself are saying that Vanquis' checks weren't proportionate. Vanquis ought to have done more at the time of application. Miss A declared to Vanquis that she was earning around £1,500 per month with monthly expenses totalling around £490. However, Vanquis also completed a credit reference agency (CRA) check that painted a very different picture. The CRA data showed Miss A had outstanding debt of around £15,000. Miss A had told Vanquis she was paying £100 towards her existing credit commitments, but based on the debt Vanquis knew Miss A actually had, this doesn't ring true. So, as a result, I don't think Vanquis' checks went far enough to satisfy themselves that Miss A would be able to afford the loan repayments.

To piece together what proportionate checks would've shown if they were completed at the time, I've looked at Miss A's current account statements covering the three-month period prior to the loan being given.

I'm not disputing what Miss A has said about her circumstances at the time, and how she was struggling financially. But I also need to think about what Vanquis ought to have been aware of and I need to think about what has been provided now in the context of raising a complaint, as opposed to what likely would have been disclosed when trying to obtain credit, particularly given Miss A told Vanquis she was paying £100 a month to existing credit commitments, when we can see it was more like £500 per month.

I wouldn't have expected Vanquis to review Miss A's statements in full – the rules set out by the regulator merely state that checks should take place and that they should be proportionate to the type and amount of credit being provided. But there is no obligation on lenders to ask to see bank statements. I would've expected Vanquis to do a full income and expenditure assessment with Miss A though. What I mean by this is have a conversation with Miss A about what she's spending money on and how much money she's spending per month.

I've considered that Miss A told them she was earning £1,500 per month, so that's the amount I'll take into account when assessing her income and expenditure. In the months leading up to the lending, Miss A's account statements always end with a positive balance that is enough to repay the Vanquis loan and other emergency expenses. She occasionally uses the overdraft but not for extended periods of time. She's also clearly making significant

overpayments to her existing creditors, which isn't a sign of struggling to maintain and repay what's already owed.

Miss A has said her partner used her account to send and receive money for his business, but she's also said he contributed to the bills so as the Investigator has done, I think it's safe to assume that some of the money she was receiving from him, she was entitled to keep. Considering everything in the round, including information Miss A told Vanquis at the time, and what she's provided to us when asked, I think Vanquis would've understood she could afford the loan.

I understand Miss A has also highlighted gambling transactions and raised this as a concern which she feels Vanquis should have been aware of. I note her points regarding the difficult time she had – and I thank her for sharing. I understand the impact of gambling. But as I've said above, I don't think reasonable and proportionate checks in this case means Vanquis carried out a full review of Miss A's current account statements, so Vanquis wouldn't have been aware of the gambling.

I've thought about what Miss A has said regarding the debt being passed on to a different company, although I don't think it forms part of the crux of her complaint. Vanquis are entitled to pass on the debt where a relationship has broken down, which it did do in Miss A's case when she was no longer able to meet the repayments. She's been complimentary of the company it was passed to, so I don't think there's issues there and I know Miss A is now managing her debt via a third party, so she no longer needs to deal with either Vanquis or the third party debt purchaser directly. Vanquis didn't treat Miss A unfairly when doing this.

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 loan. 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

Your text here

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