

The complaint

Mr G complains that Vanquis Bank Limited irresponsibly lent to him.

What happened

Mr G was approved for a Vanquis credit card in March 2023, with a £1,200 credit limit. The credit limit was increased three times, in July 2023 (£1,500), March 2024 (£2,500), and April 2025 (£4,400). Mr G says he was subject to an Individual Voluntary Arrangement (IVA) at the time his Vanquis account was opened, and they irresponsibly lent to him. Mr G made a complaint to Vanquis, who did not uphold his complaint. Vanquis said that each lending decision was assessed fairly and accurately for the amount of credit approved. Mr G brought his complaint to our service.

Our investigator did not uphold Mr G's complaint. He said that Vanquis' checks were proportionate (apart from the March 2024 lending decision), but he concluded that Vanquis made fair lending decisions. Mr G asked for an ombudsman to review his complaint. He made a number of points. In summary, he attached proof that he was subject to an IVA at the time the initial credit was approved, and he asked if Vanquis had searched all of the available Credit Reference Agencies (CRA's). He said he was rarely repaying the minimum payment on any of his cards.

Mr G said that he was being harassed by Vanquis and there was a threat of a home visit, and he said he has complained to Vanquis about this. Mr G pointed out multiple errors in Vanquis' final response letter that they sent him.

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.

I'm sorry to hear about what Mr G has said about how he was treated by Vanquis, and the threat of a home visit. As I understand matters, Mr G has said he's complained about this, so if he has received Vanquis' final response letter regarding this complaint, and he remains unhappy with their response, then I would urge him to forward this to our investigator who can set up a new complaint with our service to look into this.

But as this complaint point has been brought after Mr G brought his original complaint to our service, and it is in relation to a new matter, then I do not have the powers to look into this as part of the original complaint he has brought to our service.

I also agree with Mr G that Vanquis have made several errors in their final response letter. It appears they have entered the figures the wrong way round. For example, their checks showed at the first credit limit increase that his total active external unsecured debt was £17,484, and the last default was registered 57 months prior to this date, whereas the final response letter refers to no defaults in the previous 17,484 months, and his active unsecured external debt stood at £57. A similar pattern is used for the other credit limit increases.

I'd like to reassure Mr G that I have viewed the actual figures that the CRA reported to Vanquis. I would also like to point out for clarity, that even if Vanquis had got the numbers in the previous paragraph the correct way round, the figures they did quote wouldn't have been available yet, as the first credit limit increase was on 3 July 2023, whereas these figures which Vanquis meant to have quoted in the correct way round had a file date of 21 July 2023. So I hope I can reassure Mr G that the correct figures which Vanquis would have seen are showing in the relevant sections below.

Before agreeing to approve or increase the credit available to Mr G, Vanquis needed to make proportionate checks to determine whether the credit was affordable and sustainable for him. 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.

Acceptance for the Vanquis credit card

The information showed that Mr G declared a net monthly income of £2,700. The Credit Reference Agency (CRA) that Vanquis used for these checks reported that Mr G had no County Court Judgements (CCJ's). And there was not an IVA being reported by the CRA either. But the CRA did report that Mr G last defaulted on an account 53 months prior to the checks.

It may help to explain here that, while information like a default on someone's credit file may often mean they're not granted further credit – they don't automatically mean that a lender won't offer borrowing. So I've looked at what other checks Vanquis made to see if they made a fair lending decision.

The CRA reported that Mr G had no active accounts in arrears at the time of the checks, and he had no arrears on any active accounts in the 12 months prior to the application checks, so it didn't appear he had any recent financial difficulty.

Mr G has asked if Vanquis searched all of the different CRA's. I can confirm to him that they used one CRA for the initial lending checks. But I can't fairly say that it would have been proportionate for them to have used more than one CRA here, as they were showing his accounts, and defaults, and they are not required by the regulator to use more than one CRA. So I can't hold Vanquis responsible for the information a CRA gives them.

The CRA informed Vanquis that Mr G had active unsecured external debt of around £10,834. Vanquis also completed an affordability assessment for Mr G. Vanquis asked him for his outgoings. But Vanquis didn't just take Mr G's word for this. They completed an affordability assessment for him. They used information that Mr G had provided, modelling to estimate Mr G's outgoings - which is an industry standard way of estimating outgoings, and information from a CRA about Mr G's monthly credit commitments.

The affordability assessment showed that Mr G would comfortably be able to afford sustainable repayments for a £1,200 credit limit. 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 Mr G had no recent adverse information on his credit file including current or recent arrears, they gave him an opportunity to declare his outgoings and they also completed an affordability assessment, which showed he would

have enough disposable income to make sustainable and affordable repayments for the £1,200 credit limit.

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

July 2023 credit limit increase - £1,200 to £1,500

The CRA reported that Mr G's active external unsecured debt was £15,737 which was higher than what it was at the opening checks. The CRA reported Mr G hadn't been in arrears on any accounts since his Vanquis account had been opened. Vanquis would have also been able to see how Mr G used his Vanquis account since it had been opened.

Mr G incurred no late or overlimit fees since the account had been opened. Mr G also regularly made higher repayments leading up to his first credit limit increase, which could suggest he had the affordability to be able to make sustainable repayments for a £1,500 credit limit.

Vanquis also completed an affordability assessment, which showed that repayments for a £1,500 credit limit should be affordable and sustainable for Mr G. So I'm persuaded that Vanquis' checks were proportionate here, and they made a fair lending decision.

March 2024 credit limit increase - £1,500 to £2,500

The CRA reported that Mr G's active external unsecured debt was £22,540 which was higher than what it was at the last lending decision checks. The CRA reported Mr G hadn't been in arrears on any accounts since the last lending decision. Vanquis would have also been able to see how Mr G used his Vanquis account since the last lending decision.

Mr G incurred a late payment charge since the last lending decision, however, it appears this was an oversight. I say this as the day after he incurred this fee he made a repayment. So it would appear that he simply forgot to make a payment until he incurred the late fee.

Mr G made higher repayments than he was required to make leading up to this credit limit increase, including a £500 payment made on 16 February 2024, which I wouldn't expect him to be able to make if he was struggling financially leading up to this credit limit increase, and the level of repayment could suggest he had enough disposable income to be able to meet sustainable and affordable repayments for a £2,500 credit limit.

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

April 2025 credit limit increase - £2,500 to £4,400

The CRA reported that Mr G's active external unsecured debt was £28,700 which was higher than what it was at the last lending decision checks. The CRA again reported Mr G hadn't been in arrears on any accounts since the last lending decision. Vanquis again would have also been able to see how Mr G used his Vanquis account since the last lending decision.

Mr G incurred no late or overlimit fees since the last lending decision, and prior to the credit limit increase he had paid off the majority of the balance. On 13 March 2025, he made a payment of £302.67, which appears to have been paid through his bank account (as opposed to a balance transfer with another provider). So again, it would appear that he could make repayments in line with a higher credit limit.

Vanquis also completed an affordability assessment, which showed that repayments for a £4,400 credit limit should be affordable and sustainable for Mr G. So I'm persuaded that Vanquis' checks were proportionate here, 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 Mr G or otherwise treated him 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 Mr G to accept or reject my decision before 13 March 2026.

Gregory Sloanes
Ombudsman