

The complaint

Miss P complains Vanquis Bank Limited (“Vanquis”) irresponsibly lent to her, and increased her credit limit when they shouldn’t have.

What happened

In March 2018 Miss P applied for a credit card with Vanquis. The application was accepted, and she was offered an initial limit of £250. In August 2021 the limit was increased to £500, it was increased again in February 2022 to £850 and the final increase took place in August 2022 to £3,000.

Miss P complained to Vanquis in 2025. She said they lent to her irresponsibly and increased her limits when it was clearly already unaffordable. Miss P said she could only make minimum payments to Vanquis as she was financially stretched with other debts. Miss P shared information about a challenging period of time in her life, and felt that Vanquis didn’t take that into account when looking at her complaint.

Vanquis responded to the complaint. They didn’t uphold her complaint and felt that both the account opening and subsequent increases were fair. They said they completed thorough checks and Miss P didn’t have any defaults or County Court Judgements (CCJs) at the time of lending.

Miss P was unhappy with their response, so she referred her complaint to our Service. Initially, Vanquis felt part of Miss P’s complaint fell outside of our jurisdiction. But the Investigator said it was a complaint we could consider, and Vanquis agreed.

The Investigator then considered the merits of Miss P’s complaint. She felt Vanquis’ checks were proportionate and a fair decision to lend was made at the point of account opening, and all of the increases. Miss P didn’t agree.

She said the checks weren’t sufficient and if things appeared fine on her credit report, it’s only because she was taking out additional lending to repay what she already owed. She said she was a single parent and had very little disposable income.

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 P, so I’ll explain my reasoning below.

I also want to start by saying that it’s very clear to me just how important this matter is for Miss P. She has set out her position in great detail and has provided lots of supporting information. I think it’s important I explain that whilst I have read and considered all the information provided by both parties, I’ve outlined my findings in considerably less detail. I

don't mean any discourtesy by this, rather this reflects the informal nature of our service. And I thank her for sharing sensitive information about her circumstances.

The rules and regulations in place at the time Vanquis provided Miss P with the credit card and subsequent increases 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 P. In other words, it wasn't enough for Vanquis to consider the likelihood of them getting the funds back or whether Miss P's circumstances met their lending criteria – they had to consider if Miss P 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 P.

Account opening

When Miss P applied for a card, Vanquis gathered information regarding her financial circumstances. It recorded that she was earning a salary of around £22,500 per year and had outstanding debt of around £1,850. Miss P had no defaults at the time of application. This was collated using the information Miss P 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 P, and the information they gathered in these checks, I don't think they acted unfairly when providing Miss P with the credit card. I say this because it was for a modest amount of £250, and there were no signs of financial difficulty in the past. It wouldn't be a significant cost for Miss P to repay this credit in a reasonable period of time based on her salary and existing credit commitments.

Credit limit increase one

As well as external information obtained from CRA's, Vanquis now also had Miss P's account management to assess whether or not the increase was affordable for her.

The CRA data showed Miss P's external debt had increased significantly, and it shows she had struggled with repayments in late 2018, early 2019, but everything recently had much improved and things were being managed well.

Miss P told Vanquis her monthly income was around £2,200 and her expenditure was around £1,400.

In the three months prior to the increase, Miss P was making significant overpayments to the account. What I mean by this is, each month, Miss P is required to make a payment towards the account, and there's a minimum payment due for this, which is usually a small percent of the balance, or £5, whichever is greater. Miss P, on average, made 156% of the minimum repayments, which demonstrates to Vanquis that the limit is affordable and she has disposable to afford an increase.

So, it follows I find their checks proportionate and think a fair decision to lend was made.

Credit limit increase two

Vanquis considered the same information when increasing the limit in 2022 as they had the year prior. Miss P had told them her income was around £2,100 and her expenditure was around £1,300 a month, leaving ample disposable income to afford the increase.

The CRA data pulled at the time showed her overall external indebtedness had decreased significantly and Miss P was still making very large overpayments towards the account.

In the three months prior to the increase, Miss P had paid 780% of the minimum payment due. I think it would be unfair to say, considering the improved external position and significant overpayments, that Vanquis ought reasonably to have been aware Miss P was facing financial difficulties.

So, again, I think the checks were proportionate and a fair decision to lend was made.

Credit limit increase three

The third and final increase took place just six months after the second. Again, Vanquis asked Miss P for information about her income and expenditure. She told them her income was around £2,400 and her expenditure was around £1,600.

Miss P's external debt had stayed around the same amount as the point of credit limit increase two and there wasn't any adverse that ought to have flagged to Vanquis. The account was being managed well and Miss P was, on average, only using 4% of the available credit limit which would suggest to Vanquis that Miss P didn't have a desperate need for credit.

I would like to acknowledge that I'm in no way disputing Miss P's position was challenging at the time, and I'm sure her reality was far worse than the data showed. But I have to be impartial and consider what I think Vanquis ought to have been aware of and there were no indicators available to them at the time of each lending decision that Miss P was struggling.

In reaching my conclusions, I've also considered whether the lending relationship between Miss P and Vanquis might have been unfair to Miss P 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 P with the credit card, or by increasing her credit limit. 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 P, 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 this complaint against Vanquis Bank Limited.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss P to accept or reject my decision before 5 January 2026.

Meg Raymond
Ombudsman