

The complaint

Mr C has complained that Vanquis Bank Limited were irresponsible in opening a credit card account.

What happened

Vanquis provided Mr C with a credit card in February 2025 with a limit of £1,500.

Mr C says this was irresponsible. He says the checks carried out were insufficient and a more thorough check would have revealed that the required repayments were unaffordable.

Vanquis reviewed Mr C's complaint and didn't uphold it. They were satisfied that appropriate checks were carried out. They felt that there was no indication that the repayments were unaffordable.

An investigator then reviewed the merits of Mr C's complaint, but didn't think Vanquis had done anything wrong.

Mr C disagreed with our investigator's opinion. In summary he felt Vanquis' assessments of expenditure weren't reasonable and they should have declined this application, as they had recently declined a separate application from Mr C.

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'm not upholding this complaint. I know this will disappoint Mr C, so I'll explain why.

In reviewing this complaint, I've only considered matters that occurred before the final response letter was issued, in line with the rules this service must follow.

The rules and regulations in place at the time Vanquis provided Mr C with the credit card required them to carry out a reasonable and proportionate assessment of whether he could afford to repay what he 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 Mr C. In other words, it wasn't enough for Vanquis to consider the likelihood of them getting the funds back – they had to consider the impact of any repayments on Mr C.

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 they needed to before providing the credit card.

Vanquis used information declared by Mr C in his application and used data supplied by a credit reference agency (CRA) to help them see whether the credit was affordable for Mr C.

In his application Mr C declared an annual salary of £47,575. The information Vanquis obtained showed Mr C had other credit commitments with a total outstanding balance of under £1,000. His credit file showed no recent adverse information on any open accounts and no recent pay-day loans. There had been previous defaults, the most recent of which was around 22 months prior to this application.

Vanquis validated Mr C's declared income via the CRA and used statistical data to see what his typical spending was likely to be for other living expenses. They also calculated what his monthly payments would be for his existing credit commitments, along with a monthly repayment amount that would be required for this credit card.

This resulted in Mr C still having a remaining disposable income after all committed expenses as noted, of around £1,500. It is on this basis that Vanquis accepted the application.

Having considered all the information referred to above, I'm not satisfied that Vanquis performed proportionate checks. I say this because, although Mr C's most recent default was 22 months prior to his application for this credit card, the CRA information that Vanquis obtained did show that in total, Mr C had at least nine visible defaults.

I think therefore, it would have been appropriate for Vanquis to have taken steps to find out more about Mr C's committed expenditure, to understand whether the credit limit was affordable.

There's no set way for how Vanquis should have carried out further checks; they could have asked Mr C about his expenditure or, if they felt it appropriate, they could have reviewed his bank statements.

In reaching my decision, I have used Mr C's bank statements as it is an easy way for this service to understand what proportionate checks would have likely revealed.

Having completed my assessment, there is nothing contained within Mr C's bank statements that would indicate any current financial difficulty, or that the calculations used by Vanquis were unreasonable.

It is likely that Vanquis would have concluded that the required repayments for this credit card, even if the credit limit was fully utilised, would appear to be affordable as that is what I have found.

Therefore I conclude that Vanquis weren't irresponsible, when accepting Mr C's application for the credit card.

In his correspondence with this service, Mr C made a number of points challenging the approach Vanquis have taken. He feels that they should have done further checks because his first application, not long before this application, was declined. He also doesn't feel that the checks that Vanquis did undertake were robust, partly because they haven't disclosed the details of those checks.

I have considered all Mr C's points and because, as I refer to above, I also didn't feel that Vanquis had performed proportionate checks, albeit for different reasons, I can assure Mr C that if Vanquis had performed further checks, it is likely that they would have concluded that this lending was affordable.

In reaching my conclusions, I've also considered whether the lending relationship between Mr C and Vanquis might have been unfair to Mr C under Section 140A 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 Mr C with the credit card, or otherwise treat him unfairly in relation to this matter. And I haven't seen anything to suggest that Section 140A of the CCA would, given the facts of this complaint, lead to a different outcome here.

So while it will come as a disappointment to Mr C, I won't be upholding his complaint against Vanquis for the reasons explained above.

My final decision

For the reasons set out above, I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr C to accept or reject my decision before 6 February 2026.

David Barker
Ombudsman