

The complaint

Mr H complains Vanquis Bank Limited lent to him irresponsibly when they provided him with a credit card account.

What happened

In April 2024, Mr H was provided with a Credit Card account by Vanquis, with an initial credit limit of £1,200. There were no further credit limit increases.

In 2025, Mr H complained. In summary, he said Vanquis had irresponsibly lent to him and that sufficient checks – to ensure his affordability status – hadn't been undertaken.

Vanquis didn't uphold the complaint. They said, in summary, that they had carried out checks proportionate to the amount being lent; those checks hadn't revealed any concerns, and on that basis, the credit had been provided. So, they were satisfied they had lent responsibly.

Mr H disagreed; he still thought that Vanquis were wrong to have lent to him. So, he referred his complaint to this Service for independent review.

An Investigator here considered what had happened; having done so, he didn't think Vanquis had done anything wrong. In short, the Investigator said:

- The checks carried out by Vanquis were proportionate in the circumstances.
- The information gathered as a result of those checks wouldn't have given Vanquis any cause for concern. And there was nothing that would have suggested to Vanquis that Mr H was struggling financially and/or wouldn't be able to afford the repayments towards the credit.
- Any financial struggles, which did materialise for Mr H later, wouldn't have been apparent to Vanquis at the time they provided Mr H with the credit.
- Overall, with that in mind, Vanquis hadn't acted unfairly or unreasonably in providing Mr H with this credit card account.

Mr H disagreed; and maintained his argument that Vanquis had failed to carry out proportionate checks and had lent to him irresponsibly.

So, as no agreement has been reached, Mr H's complaint has now 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, while this will no doubt disappoint Mr H, I agree with the findings of our Investigator for broadly the same reasons. I'll explain why.

The rules and regulations in place at the time Mr H was provided with the credit card, required Vanquis to carry out a reasonable and proportionate assessment. That's to determine whether he could afford to repay what he owed in a sustainable manner. This practice is sometimes referred to as an 'affordability assessment' or 'affordability check'.

The checks had to be borrower focussed; that is, relevant to Mr H. So, Vanquis had to think about whether repaying the credit sustainably would cause him difficulties, or other adverse consequences. In other words, Vanquis had to consider the impact of any repayments on Mr H.

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 agreeing to lend to Mr H.

Here, before agreeing to lend, Vanquis checked data recorded with Credit Reference Agencies ("CRAs"); and it relied upon information provided by Mr H in his application. I've been provided the results of Vanquis's checks and, in my view, the data they gathered didn't suggest that there was any real cause for concern.

Rather, information obtained from CRAs didn't show any recent defaults or County Court Judgments ("CCJs"); nor was Mr H subject to an Individual Voluntary Arrangement ("IVA").

Vanquis recorded Mr H's declared annual income at around £51,000, which equated to £3,219 a month. And from the credit check they completed, they noted that Mr H had around £35,000 in existing unsecured credit commitments. And while, in addition to this, there was a second mortgage of around £24,000, around £13,000 of the credit was a motor HP agreement. So, although Mr H's credit commitments were substantial, it wasn't spread across an extremely high number of accounts. Furthermore, the credit check data showed that all of his credit had been paid on time, and there was no evidence of Mr H experiencing any recent arrears or payment difficulties.

Mr H also declared monthly living costs and housing costs of £400 and £487 respectively. However, from checks Vanquis ran, they increased these allowances to £883 and £742 respectively. Which, when added to his existing monthly credit commitments of around £1,057, put his total outgoings at approximately £2,682 a month. This left him with a disposable income of around £537 a month to be able to use towards the monthly repayments on this credit card, and to support him with payments towards any unexpected expenses. Based on this, Vanquis concluded that it was likely the credit limit of £1,200, given the above, would have been affordable for Mr H. And there was nothing else to suggest to Vanquis that Mr H wouldn't have been able to sustainably repay the credit provided here.

Keeping in mind the monthly repayments required to clear the balance of the account (if Mr H utilised the full credit limit); and, given that the CRA data hadn't raised any immediate concerns; I think the checks undertaken by Vanquis before lending to Mr H were proportionate, and the information they gathered suggested that a credit limit of £1,200 was likely to be affordable for him. So, I wouldn't have expected Vanquis's checks to have gone further in the circumstances - given the level of borrowing in question; and I think it was reasonable for them to conclude this lending was affordable for Mr H at the time.

I am sorry to disappoint Mr H; I know this won't be the outcome that he's hoping for, but it's for the reasons I've explained that I don't think Vanquis acted unfairly or unreasonably when they provided Mr H with this credit card, at the limit set. So, it follows that I'm not upholding this complaint.

Separately, whilst I'm not upholding the complaint, I do want to remind Vanquis of their obligations to exercise forbearance moving forward. I would certainly encourage Mr H to keep in regular contact with Vanquis about any difficulties he's now facing in maintaining any outstanding repayments that may be owed.

Finally, I've also considered whether the relationship might have been unfair under Section 140A (S140A) of the Consumer Credit Act 1974. However, for the reasons I've already given, I don't think Vanquis lent irresponsibly to Mr H or otherwise treated him unfairly in relation to this matter. I haven't seen anything to suggest that S140A would, given the facts of this complaint, lead to a different outcome here.

My final decision

My final decision is that I do not uphold Mr H's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr H to accept or reject my decision before 11 March 2026.

Brad McIlquham
Ombudsman