

The complaint

Miss B complains Vanquis Bank Limited (“Vanquis”) lent to her when it shouldn’t have.

What happened

In March 2024, Miss B applied for a credit card with Vanquis. The application was approved, and Miss B was given a £600 limit. The limit wasn’t ever increased.

Miss B complained to Vanquis. She said they never should’ve provided her such a large limit when she had a lot of missed payments on her credit file. She said she had several credit card at the time and the limit was close to maxed out on all of them. Miss B said by opening the account they made her position worse. She’s recently been diagnosed with ADHD which has helped her to understand that she was vulnerable to taking out credit she couldn’t afford.

Vanquis responded to the complaint. They said they completed credit checks, affordability checks and income checks to decide if the lending was affordable for Miss B. They said having reviewed everything they’re satisfied their decision to lend was fair and assessed accurately.

Miss B didn’t agree, so she referred her complaint to our Service. An Investigator here looked into things. They said there was adverse information on the credit file Vanquis received, but the most recent adverse recorded was 16 months prior to this lending, and Vanquis are a second chance lender, so there’s an expectation that Miss B’s record wouldn’t be perfect. They found that Vanquis’ checks were proportionate and a fair decision to lend was made.

Miss B didn’t agree – she said the amount of late payments on her credit file and her low credit score ought to have highlighted her as a risk and Vanquis shouldn’t have lent to her.

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 in agreement with the Investigator. I know this is likely to disappoint Miss B, but I’ll explain my reasons below.

The rules and regulations in place at the time Vanquis provided Miss B with the credit card 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 B. In other words, it wasn’t enough for Vanquis to consider the likelihood of them getting the

funds back or whether Miss B's circumstances met their lending criteria – they had to consider if Miss B 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 B.

When Miss B applied for a card, Vanquis gathered information regarding her financial circumstances. It recorded that she was earning a salary of around £2,700 per month and had outstanding debt of around £400. Miss B had 5 defaults totalling £5,300 at the time of application, and the most recent was recorded 16 months prior. She also had two County Court Judgements (CCJ's) totalling around £1,100 17 months earlier. They'd recorded she was paying £300 a month towards housing costs. This was collated using the information Miss B 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 B, and the information they gathered in these checks, I don't think they acted unfairly when providing Miss B with the credit card. I say this because it was for a modest amount of £600, and although there were some signs of financial difficulty in the past, everything in recent months had been much improved. It wouldn't be a significant cost for Miss B to repay this credit in a reasonable period of time based on her salary and existing credit commitments.

I appreciate what Miss B has said about the adverse information, and I can see it is present on her file. But adverse information recorded over a year a prior to the application isn't enough in itself to decline a new application for credit, particularly when Miss B's active accounts were being well managed and she had a healthy income with not a significant amount of declared expenditure.

As of the time of the complaint, Miss B's account was still open and active. If Miss B is struggling to meet her repayments, I encourage her to reach out to Vanquis and remind Vanquis of their responsibilities to treat Miss B with forbearance.

In reaching my conclusions, I've also considered whether the lending relationship between Miss B and Vanquis might have been unfair to Miss B 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 B with the credit card. And I haven't seen anything to suggest that s140A CCA would, given the facts of this complaint, lead to a different outcome here.

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 B to accept or reject my decision before 19 January 2026.

Meg Raymond

Ombudsman