

The complaint

Mr T complains Vanquis Bank Limited lent to him irresponsibly when they provided him with a credit card account and later increased his credit limit.

What happened

In July 2025, Mr T was provided with a Credit Card account by Vanquis, with an initial credit limit of £600. There were two further credit limit increases. I've provided further details of the lending below:

Date	Event	Credit Limit provided
April 2024	Application approved	£600
January 2025	Credit limit increase approved	£1,050
July 2025	Credit limit increase approved	£1,800

In 2025, Mr T 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 T 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 T was struggling financially and/or wouldn't be able to afford the repayments towards the credit.
- Any financial struggles, which did materialise for Mr T later, wouldn't have been apparent to Vanquis at the time they provided Mr T with the credit.
- Overall, with that in mind, Vanquis hadn't acted unfairly or unreasonably in providing Mr T with this credit card account.

Mr T 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 T'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 T, I agree with the findings of our Investigator, and for broadly the same reasons. I'll explain why.

The rules and regulations in place at the time Mr T 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 T. 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 T.

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 T.

Here, before agreeing to lend, Vanquis checked data recorded with Credit Reference Agencies ("CRAs"); and they relied upon information provided by Mr T 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"); with the most recent default and CCJ having been registered around five and three years prior to their initial lending decision respectively. Nor was Mr T subject to an Individual Voluntary Arrangement ("IVA").

Vanquis recorded Mr T's declared annual income at around £17,000, which equated to approximately £1,300 a month. And from the credit check they completed, they noted that Mr T had only around £100 outstanding in existing unsecured credit commitments. I've also noted that Mr T's recent credit commitments appear to have been paid on time, and there was no evidence of Mr T experiencing any recent payment difficulties.

Vanquis noted monthly outgoings of around £485 towards Mr T's regular living costs, and, based on these figures, when deducted from Mr T's monthly income of around £1,300, it suggested that Mr T would have been left with around £800 in disposable income, which he would be able to use towards the monthly repayments on this credit card; and to support him with any payments towards any unexpected expenses.

Keeping in mind the monthly repayments required to clear the balance of the account (if Mr T utilised the credit limit in full); and, given that the CRA data hadn't raised any immediate concerns; I think the checks undertaken by Vanquis before lending to Mr T were proportionate, and the information they gathered suggested that a credit limit of £600 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 T at the time.

When Vanquis increased Mr T's credit limit, around nine months after their initial lending decision, Mr T declared he was still earning around £1,800 a month. They recorded general living costs of around £310 a month and noted that Mr T's monthly contribution towards housing costs stood at around £525 a month, suggesting that Mr T had ample disposable income that he could access in order to maintain the payments under the new credit limit. He had also maintained the credit card account well so far, and within its credit limit. So based on this, I don't think Vanquis's checks needed to go further at the point they increased his credit limit to £1,050. And therefore, I don't think it was unreasonable for Vanquis to extend this further credit to Mr T at this time.

Turning next to the second credit limit increase, a further six months had passed since the last increase and Mr T's circumstances were broadly the same. He declared the same monthly income - £1,800, and his total monthly outgoings had only increased by a small margin as a result of his unsecured credit commitments now totalling around £1,800. This left him within the region of £800 a month in disposable income which could be used to cover the repayments towards the card along with any unexpected expenses. So, for similar reasons to the first credit limit increase, given the limit was still relatively moderate at £1,800, again, I think Vanquis's checks went far enough, and I don't think it was unreasonable for them to increase Mr T's limit at the time.

Mr T has argued in response to the investigator's opinion, that he had previously been registered as bankrupt, and had a poor credit history in the past, all of which he thinks should have been clear to Vanquis. He also noted that he has a number of existing health conditions which he thinks Vanquis should've taken into account prior to lending, so I've thought about this carefully.

While a bankruptcy is a significant event in someone's finances, and I wouldn't expect to see a business continuing to lend to a customer around the time a customer is declared bankrupt; a historic bankruptcy in and of itself, where satisfied, doesn't preclude a customer from being able to take out credit in the future. To the contrary, while the bankruptcy would likely be taken into account at the point of any lending decision, where satisfied, many lenders may (albeit potentially at lower levels) look to support a customer in regaining a more solid credit standing. And I would expect to see customers looking to start to take out credit following a satisfied bankruptcy, in an attempt to rebuild their credit score.

In this instance, I can see from the information obtained by Vanquis - as a result of their checks - that they established Mr T's bankruptcy had indeed been satisfied in April 2022 - some two years prior to the credit being approved. So, while a consideration, I don't think - when taking into account the length of time passed, and Mr T's more recent repayment history - that it was unreasonable for Vanquis to have provided the credit card or increased his credit limit in the circumstances.

I've also taken into account that Mr T seems to have experienced a number of health issues. I imagine this must be difficult for him, and I hope he is getting the support he requires on this front. But, while difficult, Mr T has told our service, by his own admission, that he didn't share details of these conditions with Vanquis at the time they were lending to him, and that this is only something he brought to their attention at the time he raised his complaint. So, I can't reasonably conclude it was wrong for Vanquis not to have taken the above into account or altered their lending decisions based on this information, if they weren't made aware at the time. So, while I'm sorry to hear of what Mr T is experiencing, his arguments here don't alter my opinion.

I am sorry to disappoint Mr T, 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 T with this credit card, at the limit set; or when they later increased his credit limit. 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 T 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 T 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 T's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr T to accept or reject my decision before 20 March 2026.

Brad McIlquham
Ombudsman