

## **The complaint**

Miss S complains Vanquis Bank Limited lent to her irresponsibly when they provided her with a credit card account.

## **What happened**

In August 2024, Miss S 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, Miss S complained. In summary, she said Vanquis had irresponsibly lent to her and that sufficient checks – to ensure her 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.

Miss S disagreed; she still thought that Vanquis were wrong to have lent to her. So, she referred her 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 should have gone further.
- Had Vanquis's checks gone further, the results of those checks were still likely to have led Vanquis to have concluded that the credit card would've been affordable for Miss S.
- While Miss S had struggled with her credit around a year prior, her recent active credit items had been paid on time, and it didn't appear that Miss S was struggling financially, and/or wouldn't be able to afford the repayments towards the agreement.
- Any financial struggles, which did materialise for Miss S later, weren't immediately obvious at the time Vanquis provided Miss S with the credit.
- Overall, with that in mind, Vanquis hadn't acted unfairly or unreasonably in providing the finance to Miss S.

Miss S disagreed; and maintained her argument that the credit was unaffordable. So, as no agreement has been reached, Miss S'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 Miss S, 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 Miss S was provided with the credit card, required Vanquis to carry out a reasonable and proportionate assessment. That's to determine whether she could afford to repay what she 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 Miss S. So, Vanquis had to think about whether repaying the credit sustainably would cause her difficulties, or other adverse consequences. In other words, Vanquis had to consider the impact of any repayments on Miss S.

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 Miss S.

Here, before agreeing to lend, Vanquis checked data recorded with Credit Reference Agencies ("CRAs"); and they relied upon information provided by Miss S in her application.

I've been provided with the results of Vanquis's checks. And I can see that the information obtained from CRAs didn't show any defaults within the last six months, or County Court Judgments ("CCJs"); nor was Miss S subject to an Individual Voluntary Arrangement ("IVA").

Vanquis recorded Miss S's declared annual income at around £42,000, which equated to approximately £2,715 a month. And from the credit check they completed, they noted that Miss S had around £14,200 in unsecured credit commitments.

While Miss S's existing credit commitments weren't particularly high, she had shown signs of struggling with her repayments. The investigator set out that there was a default registered against Miss S around 11 months prior. But not only that, I can also see that the credit check showed Miss S had struggled with several of her other credit items from around that time. So, based on this, I agree with the investigator that Vanquis's checks should've gone further.

Miss S has provided bank statements from the months leading up to Vanquis's lending decision, and I've reviewed these to determine what I think Vanquis would've found had their checks gone further.

From what I've seen, Miss S seems to be managing her account mostly within her overdraft limit and has regular payments coming into her account - seemingly from her employer, as well as regular transfers. The statements reflect that Miss S would have had in the region of £300 leftover after paying out for her regular commitments, and they showed that Miss S appeared to be managing her finances well. While there were some payment reversals as the investigator noted, I don't think these were sufficient to suggest that it would've been wrong of Vanquis to have provided the lending in the circumstances.

I must also keep in mind that Vanquis is seemingly more likely to offer credit to those with a less than perfect credit history. They must still do so responsibly, of course; but generally speaking, simply having some adverse data present on a credit file, doesn't categorically mean an application wouldn't be approved. So, while I accept Miss S didn't have a perfect

credit history, when taking into account both her declared income and the improving trend seen in her repayment history since the last default had been registered; and, considering the repayments that would be required on what was a relatively low credit limit of £1,200, I don't think I can fairly determine that Vanquis made an unreasonable or irresponsible lending decision when they provided Miss S with this credit card.

I am sorry to disappoint Miss S; I know this won't be the outcome that she'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 Miss S with this credit card, at the limit they 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 Miss S to keep in regular contact with Vanquis about any difficulties she'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 Miss S or otherwise treated her 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 Miss S's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss S to accept or reject my decision before 13 March 2026.

Brad McIlquham  
**Ombudsman**