

## **The complaint**

I'm not upholding this complaint. So, I'm not asking Vanquis Bank Limited to do anything to put things right. I'll explain why I say that below.

Vanquis Bank Limited provided Miss L with a credit card in 2018 with a limit of £1,000. Subsequently the limit was decreased due to arrears and finally the account was repaid in full and closed on 11 May 2020.

On 20 September 2025, Miss L complained to Vanquis saying it failed to lend reasonably or to treat her fairly.

## **What happened**

The details of this complaint are well-known to both parties, so I won't repeat them again here. The facts aren't in dispute, so I'll focus on giving the reasons for my decision.

## **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.

There are time limits for referring a complaint to the Financial Ombudsman Service, and Vanquis thinks this complaint was referred to us too late. Our investigator explained why he didn't, as a starting point, think we could look at a complaint about the lending decisions that happened more than six years before the complaint was made. But he also explained why it was reasonable to interpret the complaint as being about an unfair relationship as described in Section 140 of the Consumer Credit Act 1974 (s.140), and why this complaint about an allegedly unfair lending relationship had been referred to us in time.

For the avoidance of doubt, I agree with our investigator that I have the power to look at the complaint on this basis. I think this complaint can reasonably be considered as being about an unfair relationship as Miss L says the credit simply made her financial situation worse. This may have made the relationship unfair as she had to pay more in interest than she could afford and was unable to reduce the debt. I acknowledge Vanquis still doesn't agree we can look at this complaint, but as I don't think it should be upheld, I don't intend to comment on this further.

In deciding what is fair and reasonable I am required to take relevant law into account. Because Miss L's complaint can be reasonably interpreted as being about the fairness of her relationship with Vanquis, relevant law in this case includes s.140A, s.140B and s.140C.

S.140A says that a court may make an order under s.140B if it determines that the relationship between the creditor (Vanquis) and the debtor (Miss L), arising out of a credit agreement is unfair to the debtor because of one or more of the following, having regard to all matters it thinks relevant:

- any of the terms of the agreement;

- the way in which the creditor has exercised or enforced any of his rights under the agreement;
- any other thing done or not done by or on behalf of the creditor.

Case law shows that a court assesses whether a relationship is unfair at the date of the hearing, or if the credit relationship ended before then, at the date it ended. That assessment has to be performed having regard to the whole history of the relationship.

S.140B sets out the types of orders a court can make where a credit relationship is found to be unfair – these are wide powers, including reducing the amount owed or requiring a refund, or to do or not do any particular thing.

Given what Miss L has complained about, I need to consider whether Vanquis' decision to lend to her and increase her credit limits, or its later actions, created unfairness in the relationship between her and Vanquis such that it ought to have acted to put right the unfairness – and if so whether it did enough to remove that unfairness.

Miss L's relationship with Vanquis is therefore likely to be unfair if it didn't carry out proportionate affordability checks and doing so would have revealed its lending to be irresponsible or unaffordable, and if it didn't then remove the unfairness this created somehow.

I think there are key questions I need to consider in order to decide what is fair and reasonable in the circumstances of this complaint:

- Did Vanquis carry out reasonable and proportionate checks to satisfy itself that Miss L was in a position to sustainably repay the credit?
- If not, what would reasonable and proportionate checks have shown at the time?
- Did Vanquis make a fair lending decision?
- Did Vanquis act unfairly or unreasonably towards Miss L in some other way?

Vanquis had to carry out reasonable and proportionate checks to satisfy itself that Miss L would be able to repay the credit sustainably. It's not about Vanquis assessing the likelihood of it being repaid, but it had to consider the impact of the repayments on her. There is no set list of checks that it had to do, but it could take into account several different things such as the amount and length of the credit, the amount of the monthly repayments and the overall circumstances of the borrower.

I've decided that Vanquis acted fairly because:

- I think the checks Vanquis used when agreeing the credit card limit in 2018 were reasonable and proportionate, given the limits being granted and what it knew about Miss L's financial situation. I say that because Miss L declared an income that was not modest in comparison to the credit limit that was provided. And there appear to have been no signs of defaults or missed payments on Miss L's other accounts in the recent past. Consequently, there was no evidence that would have suggested that Vanquis ought to make more enquiries into Miss L's finances of a more searching nature, or to have avoided giving Miss L the credit.
- I also think the checks Vanquis used were enough to monitor and review Miss L's credit usage. I also see that Vanquis contacted Miss L to make her to offer advice and help with her management of her credit. I note that at times Vanquis managed the limit down to help Miss L repay her card. So, looking at all of the submissions made to me in this case, I don't think Vanquis acted unfairly in any

other way.

This means I don't think Vanquis did anything wrong, either when it provided Miss L with the credit, or in the way it monitored her use of it.

I know this isn't the outcome Miss L hoped for. I've seen what she's said in response to our investigator's finding and I've taken that into consideration. But for the reasons above, I'm not asking Vanquis to do anything to put things right.

### **My final decision**

My final decision is that I'm not upholding Miss L's complaint about Vanquis Bank Limited.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss L to accept or reject my decision before 26 February 2026.

Douglas Sayers  
**Ombudsman**