

## **The complaint**

Miss A complains Vanquis Bank Limited (“Vanquis”) provided her with a credit card and subsequent increases irresponsibly.

## **What happened**

In December 2016 Miss A applied for a credit card with Vanquis. The application was approved and Miss A was initially provided with a limit of £500.

The limit was increased a further three times – first in October 2017 to £2,000, the second in August 2018 to £3,000 and finally, it was increased in January 2019 to £3,500.

Miss A complained to Vanquis in January 2026. She said she was struggling financially and relying on further borrowing to pay existing credit commitments. Miss A said the lending had a significant impact on her mental health and she’s still feeling the consequences of the lending now.

Vanquis responded to the complaint – they didn’t uphold it. They said they completed checks which looked at Miss A’s credit file and they deemed the lending affordable. They said they offer credit to customer’s who may not be able to obtain credit elsewhere.

Miss A wasn’t happy with the response, so she referred her complaint to the Service. An Investigator here looked into things. They agreed with Vanquis – they were satisfied that Vanquis completed proportionate checks and a fair decision to lend was made.

In response to the view, Miss A said she wants to provide current account statements from the time to prove she was reliant on credit to afford day-to-day life and repay other debt. She said her position was worse than what Vanquis would’ve seen from her credit file.

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 A, but I’ll explain my reasoning below.

The rules and regulations in place at the time Vanquis provided Miss A with the credit card and subsequent increases 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 A. In other words, it wasn’t enough for Vanquis to consider the likelihood of them getting the funds back or whether Miss A’s circumstances met their lending criteria – they had to consider if Miss A 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 A.

#### Account opening

Vanquis used information gathered from Miss A and data obtained from the Credit Reference Agencies (CRA's) at the point of application.

Miss A declared an annual income of £16,000 and the CRA data showed she had around £300 of unsecured debt, and a default for around £1,600 30 months prior to the lending.

I believe the checks Vanquis carried out were proportionate, and considering the amount being provided to Miss A, and the information they gathered in these checks, I don't think they acted unfairly when providing her with the credit card. I say this because it was for a modest amount of £500, 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 A to repay this credit in a reasonable period of time based on her salary and existing credit commitments.

#### Credit limit increase one

As well as the checks completed at application stage, Vanquis now were able to use information about how Miss A managed her account internally to assess whether an increase was affordable for her.

Although Miss A's external debt had increased, it was well managed. There were no new defaults, no late or missed payments and no payday lending present on the CRA data. She'd also paid off the default that was present at account opening.

In addition to this, Vanquis were able to see how Miss A was managing the limit of £500. Each month, Vanquis ask Miss A to make at least a minimum repayment towards the credit card. In the months prior to the limit increase, Miss A had made payments towards the card that totalled 1000% of the minimum owed. This means that, as far as Vanquis were concerned, Miss A was able to comfortably afford significantly more than the minimum amount owed.

So, it follows that I think the checks were proportionate and a fair decision to lend was made.

#### Credit limit increase two

Again, I've considered the same factors for credit limit increase two as I did the first one.

Miss A's external debt had decreased significantly, there were no late or missed payments, no payday lending and no new defaults. Miss A was also managing the new credit limit Vanquis previously gave well. She was making payments that amounted to over 3000% of the minimum repayment due.

There was nothing available to Vanquis – either internally or externally – that indicated Miss A was potentially facing financial difficulties. Therefore, again, I think Vanquis' checks were proportionate and a fair decision to lend.

#### Final credit limit increase

Miss A's external debt had significantly decreased, there was nothing adverse on her CRA data and she was making nearly 300% of the minimum payment due. So alike the two credit limit increases prior, I think Vanquis' checks were proportionate and a fair decision to lend was made.

I'm sorry Miss A later fell into difficulty and has entered into a Debt Management Plan. I know it's not a decision that she would've taken lightly, but I need to think about what

Vanquis did at the time to assure themselves that she could repay the credit sustainably, and I can't say they've done anything wrong.

I know Miss A wanted to provide statements, and I'm not denying that her position was worse than it appeared, but I need to consider what Vanquis ought reasonably to have been aware of. And Vanquis could see reducing indebtedness, no adverse information, significant overpayments and the clearance of a previous default – so I don't think they ought to have been aware of any financial difficulty at the time of lending.

Because there's no obligation that a firm review current account statements, providing them isn't going to change the outcome of the complaint, because I need to be impartial and focus on what information was available to Vanquis at the time of lending.

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

So while it'll likely come as a disappointment to Miss A, I won't be upholding her complaint against Vanquis for the reasons explained above.

### **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 A to accept or reject my decision before 26 February 2026.

Meg Raymond  
**Ombudsman**