

The complaint

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

What happened

In May 2025, Mrs B 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, Mrs B 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.

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

Mrs B disagreed; and maintained her argument that Vanquis had failed to carry out proportionate checks and had lent to her irresponsibly. So, as no agreement has been reached, Mrs B'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 Mrs B, 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 Mrs B 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 Mrs B. 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 Mrs B.

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 Mrs B.

Here, before agreeing to lend, Vanquis checked data recorded with Credit Reference Agencies ("CRAs"); and they relied upon information provided by Mrs B in her 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"); nor was Mrs B subject to an Individual Voluntary Arrangement ("IVA").

Vanquis recorded Mrs B's declared annual income at around £105,000, which equated to approximately £5,872 a month. And from the credit check they completed, they noted that Mrs B had around £100,000 in existing unsecured credit commitments.

Mrs B's existing credit commitments were substantial, but I've noted that around 50% of this related to a motor HP agreement which included a balloon payment, so it's possible that some of this cost may not have actually materialised, depending on how Mrs B chose to exercise her rights under the agreement at the end of the contract term. I've also noted that all of her credit had been paid on time, and there was no evidence of Mrs B experiencing any recent arrears or payment difficulties.

Initially, figures of £675, and £500 were used for Mrs B's housing and living costs. However, from the checks Vanquis ran, they increased her housing costs to £676, which equates to a 50% share of the monthly mortgage repayments. They've also accounted for around £2,500 in monthly repayments towards her existing credit commitments, which, when looking at her fixed credit payments of around £1,800 a month; and, when taking into account the outstanding balances remaining on her revolving credit, seems a fair sum to use in terms of Mrs B's monthly credit costs.

Based on the above figures, Mrs B's total monthly expenditure appears to be in the region of £3,900. And, when deducted from her monthly income of around £5,800, left her with a little under £2,000 in disposable income, from which she would be able to use towards the monthly repayments on this credit card, and to support her with any payments towards any unexpected expenses.

Keeping in mind the monthly repayments required to clear the balance of the account (if Mrs B utilised the full credit limit); and, given that the CRA data hadn't raised any immediate concerns; I think the checks undertaken by Vanquis before lending to Mrs B, even when

considering her high levels of existing credit, were proportionate, and the information they gathered suggested that a credit limit of £1,200 was likely to be affordable for her. 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 Mrs B at the time. I've also noted that nearly all of the credit limit was used to transfer an existing credit card balance across to a 0% arrangement. So, it seems that Vanquis's lending didn't add to Mrs B's credit commitments, and if anything, potentially reduced her credit costs.

Mrs B has argued in response, that her actual monthly income was less than she declared, and that her outgoings were significantly more. And she's said that this could be evidenced from the bank statements she's now provided.

But it's important to note that Vanquis were only required to carry out proportionate checks, and in the circumstances, I think that's what they did. Given what they saw about how Mrs B had managed her existing credit repayments and the disposable income she likely had leftover after deducting her declared outgoings, and other information they obtained around general living costs, I don't think it was necessary for Vanquis's checks to go further. And I don't think requesting further evidence, such as bank statements - in order to complete a more in-depth verification of her circumstances - would have been proportionate, given the disposable income she appeared to have, and taking into account both her monthly income, and how she had managed her existing credit repayments.

So, while I accept that Mrs B's disposable income at the time of the lending may have been less than Vanquis determined. I don't think this information would have been apparent to Vanquis, unless there checks went further. And I've already set out above why I don't think further checks were required.

I am sorry to disappoint Mrs B; 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 Mrs B with this credit card, at the limit 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 Mrs B 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 Mrs B 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 Mrs B's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs B to accept or reject my decision before 12 March 2026.

Brad McIlquham
Ombudsman