

## **The complaint**

Mr G complains that Vanquis Bank Limited (“Vanquis”) lent to him irresponsibly.

## **What happened**

In January 2023, Mr G applied for a credit card with Vanquis. His application was approved and he was provided with a £2,000 limit. The interest was set at 29.3%.

In September of 2025, Mr G complained to Vanquis that sufficient checks weren’t completed to ensure he could repay the debt.

Vanquis responded to the complaint, they rejected it; saying their decision to lend to him was not irresponsible and had been assessed fairly. Mr G disagreed, so the complaint was referred to our service.

An Investigator here found that Vanquis had conducted reasonable and proportionate checks and the decision to lend was fair.

Mr G disagreed – he felt that the checks performed by Vanquis fell below regulatory standards and that his indebtedness should have prompted further checks and deeper scrutiny. 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’ve reached the same outcome as the Investigator, largely for the same reasons. I know this is likely to come as a disappointment to Mr G, but I’ll explain my reasons why.

The rules and regulations in place at the time Vanquis provided Mr G with the account required them to carry out a reasonable and proportionate assessment of whether he could afford to repay what he 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 Mr G. In other words, it wasn’t enough for Vanquis to consider the likelihood of them getting the funds back or whether Mr G’s circumstances met their lending criteria – they had to consider if Mr G could sustainably repay the lending being provided to him.

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 Mr G.

At account opening, Vanquis relied on both information provided by Mr G in the application and data they received from the credit reference agencies (CRA). Mr G declared his gross annual salary as £40,588. Vanquis calculated his net monthly income would be £2,317 and that the maximum monthly repayment amount would be £93 if he utilised the entire balance.

Mr G's CRA data was positive and whilst his debt was around £23,000, all existing credit commitments were being well managed. Around 85% of his debt was made up of non-revolving loan debt. Indeed, around £13,000 was hire purchase debt secured against his vehicle. I mention this because the type of debt and associated risks are important to consider when assessing affordability. For example, the interest on loans is generally much lower than on credit cards and the repayments and term are static, as such, the risk is generally lower.

Vanquis' checks would have also revealed a decreasing reliance on his revolving credit, with Mr G having recently paid off the entire balance on one of his credit cards and there were no signs of financial difficulties in his credit file (such as defaults or late payments). Considering the relatively low available balance being provided to Mr G and relatively low monthly repayment if the entire balance was utilised, I don't think Vanquis acted unfairly when providing Mr G with this credit card.

Mr G has shared with us that he was heavily reliant on credit at the time Vanquis provided this credit card and that his family's outgoings were significantly higher than Vanquis' calculations due to medical costs. He believes that they should have asked more questions about the reality of his situation and obtained actual outgoing figures. I don't agree because I believe the checks completed were reasonable and proportionate, so I wouldn't expect Vanquis to delve deeper.

However, in the interest of completeness, I did review Mr G's bank statements in the three months leading up to Vanquis providing this credit card. On average, his net salary was around £100 more than Vanquis had calculated and after deducting his essential bills and credit repayments, he was left with £419 disposable income. Whilst this disposable income is relatively modest, had Vanquis spoken to Mr G at the time of the application and asked further questions, I'm confident he would have satisfied them of his ability to repay any credit utilised. I also noted that around this time, Mr G's savings account held £8,700 in savings which could have been utilised if required.

Overall, based on the information available to Vanquis at the time of application, I think they reached a fair decision to lend to Mr G.

In reaching my conclusions, I've also considered whether the lending relationship between Vanquis and Mr G might have been unfair to Mr G 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 Mr G with the loan. And I haven't seen anything to suggest that s140A CCA would, given the facts of this complaint, lead to a different outcome here.

## **My final decision**

While it will likely come as a disappointment to Mr G, I won't be upholding his complaint against Vanquis for the reasons explained above.

My final decision is that Vanquis Bank Limited didn't act unfairly when providing Mr G with his credit card.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr G to accept or reject my decision before 9 April 2026.

Caroline Oliver  
**Ombudsman**