

The complaint

Mr C complains that Vanquis Bank Limited didn't treat him fairly over a number of years, while in persistent debt, on his credit card account.

What happened

The details of this complaint are well-known to both parties, so I won't repeat them 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.

Having done so, I'm not upholding this complaint. I know this will disappoint Mr C, so I'll explain why.

Vanquis provided Mr C with a credit card. Over the course of a number of years, it increased the interest rate multiple times, despite Mr C regularly repaying only the minimum monthly amounts.

Prior to each increase, I have seen that Vanquis wrote to Mr C to inform him of the increase which is in line with the agreement he had with it. The letter advised that Mr C could cancel the credit card if he didn't accept the increase, which would mean that his outstanding balance at that point wouldn't be impacted by any increase to the interest rate. I think this is a fair approach.

Vanquis also increased the credit limit and Mr C doesn't consider that it should have done without assessing whether he could afford the repayments.

We've set out our general approach to complaints about unaffordable or irresponsible lending on our website, and I've taken this into account in deciding Mr C's case.

Vanquis have shared the calculation it used to assess affordability prior to offering the credit limit increase and also the information it held on Mr C's management of the account. This information indicated to Vanquis that the increases appeared to be affordable.

In addition, for the final increase in March 2023, it also asked Mr C to contact it to confirm his income and expenditure if he wanted to proceed with the increase. The increase was approved after he had done so.

Mr C argues that the increase in March 2023 wasn't appropriate in the circumstances and because he was operating in a pattern of persistent debt. However, I can see that leading up to that increase, Mr C did make a significant overpayment to his account, reducing the overall balance by around 25%. This is likely to have been a positive indicator of affordability to Vanquis.

It may help if I explain what "persistent debt" is. Persistent debt is defined by the Financial Conduct Authority (FCA) as paying more in interest, fees and charges on a credit or store card, than is paid off the principal balance, over 18 months or longer.

Persistent debt usually occurs when only the minimum or a low monthly payment is made, leading to higher interest costs and slow repayment. If, after 18 months, a consumer's interest and charges exceed the principal repayments, the lender is required to write to the consumer. Lenders will send letters at 18, 27 and 36 months, asking the consumer to increase payments to avoid accumulating more debt.

If the consumer remains in persistent debt after 36 months, the lender must take action, which may include proposing a repayment plan over a defined period, or suspending further use of the card.

I've reviewed Mr C's account and have seen that Vanquis met their obligations in this regard, with the latest communication being in June 2025, which was when Mr C met the 27 month threshold.

Mr C has shared with this service his diagnosis of ADHD in March 2025 and I thank him for his openness. It isn't disputed that Vanquis weren't aware of this. I know Mr C feels that his pattern of payments and being in persistent debt should have alerted Vanquis to provide additional support, but from what I've seen I'm comfortable that Vanquis did what it needed to, based on the information available to it.

Taking everything into account, I'm satisfied that Vanquis haven't treated Mr C unfairly, so I won't be asking it to take any action.

I'd like to remind Vanquis of its obligation to continue to exercise forbearance moving forward however, as Mr C is experiencing financial difficulty. I would also certainly encourage Mr C to keep in regular contact with Vanquis about any difficulties he's facing.

My final decision

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

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr C to accept or reject my decision before 12 May 2026.

David Barker
Ombudsman