

The complaint

Miss K complains that Vanquis Bank Limited irresponsibly lent to her.

What happened

Miss K was approved for a Vanquis credit card in December 2024, with a £2,000 credit limit. Miss K says this was irresponsibly lent to her and she made a complaint to Vanquis, who did not uphold her complaint. Vanquis said that the lending decision was assessed fairly, accurately and in line with their procedures for the amount approved.

Miss K disagreed. She said she was in a difficult financial situation at the time she was offered the card by Vanquis in a telephone call, and was relying solely on benefits. She brought her complaint to our service. Since opening her account, the card has consistently remained at its limit. Miss K says she frequently incurs over-limit fees and pays approximately £45-£50 interest per month, making it difficult to reduce the balance.

Our investigator upheld Miss K's complaint. He said that Miss K would only have around £30 a month of disposable income, and therefore Vanquis shouldn't have approved the account, and the credit limit.

Vanquis said its affordability checks showed that Miss K would have £272 a month disposable income, so the lending was responsible.

Because agreement couldn't be reached, the complaint was passed to me to decide.

I previously issued a provisional decision which said the following:

"I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint.

Before agreeing to approve the credit available to Miss K, Vanquis needed to make proportionate checks to determine whether the credit was affordable and sustainable. There's no prescribed list of checks a lender should make. But the kind of things I expect lenders to consider include - but are not limited to: the type and amount of credit, the borrower's income and credit history, the amount and frequency of repayments, as well as the consumer's personal circumstances.

I've listed below what checks Vanquis has done and whether I'm persuaded these checks were proportionate.

The information showed that Miss K declared a gross annual income of £17,500. Although this income was solely from benefits, this is not in itself necessarily a cause for concern or an indicator that further checks would be proportionate. It also appears that Vanquis verified this income against third party data. Vanquis undertook a credit check and the Credit Reference Agency (CRA) data reported that Miss K had no County Court Judgements (CCJs), no bankruptcies or IVAs at the time of the checks and no delinquencies on any of her existing credit accounts.

Vanquis completed an affordability assessment for Miss K. They used information that Miss K had provided, modelling to estimate Miss K's outgoings - which is an industry standard way of estimating outgoings, and information from a CRA about Miss K's monthly credit commitments.

Vanquis used a net monthly income figure of £1,327. It then deducted calculated living costs of £691, housing costs of £200 declared by Miss K, existing credit commitments of £59 from the CRA data and a product repayment for this card of £105. This left a disposable income of £272 per month, which is a sufficient buffer for emergencies and cost of living increases.

The affordability assessment suggests that Miss K would comfortably be able to afford sustainable repayments for a £2,000 credit limit.

Vanquis is not required to request further information such as bank statements from a potential customer for each lending decision it makes. This wouldn't be proportionate. And I'm not persuaded that it would have been proportionate for this lending decision for Vanquis to have made further checks here as Miss K had no adverse information on her credit file including current or recent arrears, and the affordability assessment showed she would have enough disposable income to make sustainable and affordable repayments.

So I'm persuaded that Vanquis' checks were proportionate, and they made a fair lending decision.

In relation to Miss K's comments that she regularly incurred fees on the account, I can see from notes on her contact with Vanquis that she did make them aware of this. Vanquis responded appropriately, by taking a number of actions, including waiving a fee and putting in place a repayment plan, so I don't find that Vanquis did anything wrong in this respect either.

I've also considered whether the relationship might have been unfair under Section 140A of the Consumer Credit Act 1974. However, for the reasons I've already given, I can't conclude that Vanquis lent irresponsibly to Miss K or otherwise treated her unfairly in relation to this matter. I haven't seen anything to suggest that Section 140A would, given the facts of this complaint, lead to a different outcome here.

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

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.

Vanquis didn't initially respond to my provisional decision. Miss K, however, didn't agree and still felt that the lending decision was unfair. She provided further information on her financial situation at the time of the lending and queried the figure of £200 that was used for her housing costs, as she said that her rent was higher than this and that she was not asked to complete a written application for the credit card, but was only assessed on the phone.

I have looked at the £200 figure for housing costs that Miss K has mentioned in her further comments, and have asked Vanquis to provide further information on where this figure was obtained. I have also listened to the telephone call that Miss K mentioned. Vanquis responded to say that this was a figure declared by Miss K as part of the online application she submitted and have provided evidence of this, so I am satisfied that Vanquis were correct to use this figure as part of their assessment.

As Miss K has provided further detail on her financial situation at the time of lending in response to my provisional decision, I can see that the checks undertaken by Vanquis did not necessarily reveal the full extent of her circumstances, but this is not a failure on its part, as the checks were proportionate to the lending and did not give any indications that it should have requested further information.

I have considered Miss K's comments but they do not make a material difference to my decision that the checks that Vanquis carried out before agreeing to lend to her were

reasonable and proportionate and that Vanquis did not act irresponsibly in providing her with the credit card, because the lending was affordable.

In reaching my conclusions, I've also considered whether the lending relationship between Vanquis and Miss K might have been unfair to Miss K under Section 140A 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 K with the credit card, or otherwise treat her unfairly in relation to this matter. And I haven't seen anything to suggest that Section 140A 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 K, I'm not upholding her complaint against Vanquis for the reasons explained above.

My final decision

It is my final decision that I do not uphold Miss K's complaint against Vanquis Bank Limited.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss K to accept or reject my decision before 13 April 2026.

Hannah Poulton
Ombudsman