

## **The complaint**

Mr W complains that Vanquis Bank Limited shouldn't have agreed to lend to him. And that they didn't provide support when he struggled to sustain his repayments.

## **What happened**

Around January 2020 Mr W applied for a revolving credit facility (credit card) with Vanquis. His application was successful with Vanquis providing him with a credit card that had a credit limit of £1,000. No subsequent credit limit increases were applied. Mr W said he struggled to sustain the repayments which Vanquis should have seen but they didn't intervene to prevent him falling into persistent debt. He complained to Vanquis.

Vanquis said their checks had been reasonable and proportionate, and based on these checks they'd made a fair lending decision. They noted Mr W was in persistent debt and provided details of his repayment and next payment date.

Mr W wasn't happy with Vanquis' response and referred his complaint to us.

Our investigator said Vanquis had made a fair lending decision. And they had notified Mr W about being in persistent debt and the steps he needed to take, but Mr W had stopped engaging with Vanquis.

Mr W didn't agree and asked for an ombudsman 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.

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 W's complaint.

I've decided the credit was provided fairly because:

- I think the checks Vanquis did before providing the credit were reasonable and proportionate given the credit limit they offered and what they knew about Mr W's financial situation.
- Vanquis validated Mr W's income during their credit check. And the credit checks didn't show any recent adverse information being reported, which suggested Mr W was managing his accounts well. The checks Vanquis did were reasonable and proportionate for the type and amount of credit they were providing. And I don't think that there was anything immediately obvious in the information that they had, which meant they shouldn't rely on it. So, I don't think Vanquis needed to have asked Mr W to provide further evidence in support of his income and expenditure before providing him with the credit facility.

- Based on the information Vanquis gathered and what they knew about Mr W's circumstances, there was nothing to suggest he was unlikely to be able to sustainably repay what he was being lent.

Mr W has said he thinks the lending became unaffordable for him over time rather than it being unaffordable at the time it was lent.

Mr W said Vanquis should have done more as he was struggling to sustain his repayments. The relevant guidance sets out the steps a lender should take when a consumer is in arrears or is in default. But I can see from Mr W's statements that he was making his monthly repayments albeit on occasion he was late making it but he would catch up the following month. I haven't seen any evidence that Mr W contacted Vanquis about difficulty in meeting his repayment until September 2024 following persistent debt action taken by Vanquis.

Persistent debt is when a consumer has paid more in interest, fees and charges than they've repaid towards the capital they owe over the previous 18 months. Lenders are required to assess whether a consumer falls within this definition at least once a month. And there is clear guidance as to the steps a lender must follow at 18 months, 27 months and 36 months.

The reason for this is to protect customers from paying too much interest and, possibly, never actually repaying their debts (which may happen if a consumer continues spending and only pays the minimum amount required each month). Where a consumer is paying more in interest and charges than they are paying towards the debt itself (meaning they're in persistent debt), the guidance provides steps which should be taken to deal with this – and, if that doesn't happen, the account may be suspended to prevent customers getting further into debt.

I can see from Vanquis' records that they took the appropriate steps at each of the milestones above. And that it was after the persistent debt letter at 27 months that Mr W spoke with them, explaining he'd been made redundant, and was now employed but not full time. His financial situation was discussed with Mr W asking for time to consider a payment plan being set up. Vanquis tried to speak to Mr W again but without response. From Vanquis' records I can see that Mr W continued to make monthly repayments.

In June 2025 the persistent debt letter required at 36 months was issued by Vanquis to Mr W. And that subsequently as advised his credit card facility was suspended.

I'm satisfied Vanquis complied with the relevant guidance around persistent debt advising Mr W of the situation and that by increasing the level of payment how he would reduce the cost of borrowing and the amount of time it would take to repay the balance. Vanquis suggested a payment plan and advised about the impact on Mr W's credit file; Mr W didn't pursue this option. I can see Vanquis tried to contact Mr W to discuss further but had no response. Following the 36-month milestone Vanquis suspended Mr W's credit facility. And I can see they signposted him to not-for-profit debt advice bodies.

I appreciate Mr W will be disappointed by my decision, but I'm satisfied Vanquis took reasonable action.

I've also considered whether Vanquis acted unfairly or unreasonably in some other way given what Mr W has complained about, including whether their relationship with him might have been viewed as unfair by a court under Section 140A Consumer Credit Act 1974. But for the reasons I've already given I don't think Vanquis lent irresponsibly to Mr W or otherwise treated him unfairly. I haven't seen anything to suggest that s.140A or anything else would, given the facts of this complaint, lead to a different outcome here.

Although I'm not upholding this complaint, I'd like to remind Vanquis of their obligation to exercise forbearance if they intend to collect any outstanding balance remaining on the account, and it's the case that Mr W is experiencing financial difficulty. But this also requires Mr W to engage with Vanquis to discuss his financial situation and for them to work together to agree an affordable arrangement.

### **My final decision**

I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr W to accept or reject my decision before 11 May 2026.

Anne Scarr  
**Ombudsman**