

## **The complaint**

Around March 2024 Vanquis Bank Ltd (Vanquis) provided Mr G with a credit card. It had a credit limit of £600. Mr G says the credit was provided irresponsibly.

## **What happened**

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

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 G's complaint.

I've decided the credit wasn't provided fairly because:

- I think the checks Vanquis did before providing the credit were reasonable and proportionate given the credit limit being offered and what they knew about Mr G's financial situation.
- Based on the information Vanquis gathered and what they knew about Mr G's circumstances, I think they should have realised G was unlikely to be able to sustainably repay what he was being lent.
- The information showed that Mr G had struggled to sustain repayments for an existing credit card that had a much lower credit limit than that offered by Vanquis. He'd been in arrears several times over the preceding 12 months and was in an arrangement to pay. And his credit file showed until recently he'd also struggled financially with some of his other accounts.
- So, on balance if Mr G struggled to sustain repayments for a credit card with a £100 credit limit he would most likely struggle to sustain repayments to be able to clear any outstanding balance within a reasonable period for a credit card with a £600 credit limit.

This means I don't think Vanquis should have provided the credit card to Mr G.

I've considered whether the relationship might have been unfair under s.140A of the Consumer Credit Act 1974. However, I'm satisfied the redress I'm awarding in this case, as set out below, results in fair compensation for Mr G in the circumstances of this complaint. I'm therefore satisfied, based on what I've seen, that no additional award would be appropriate in this case.

## **Putting things right**

As I don't think Vanquis ought to have provided the credit facility, I don't think it's fair for them to be able to charge any interest or charges under the credit agreement. But I think it's fair that Mr G should pay back what he borrowed. Therefore, Vanquis should:

Add up the total repayments Mr G has made and deduct these from the total amount of money he received.

a) If this results in Mr G having paid more than he received, any overpayments should be refunded along with \*8% simple interest (calculated from the date the overpayments were made until the date of settlement). Vanquis should also remove all adverse information regarding this account from Mr G's credit file.

b) If any capital balance remains outstanding, then Vanquis should arrange an affordable and suitable payment plan with Mr G. Once Mr G has cleared the balance, any adverse information in relation to the account should be removed from his credit file.

If Vanquis Bank Ltd has sold the debt to a third party, they should arrange to either buy back the debt from the third party or liaise with them to ensure the redress set out above is carried out promptly.

\*HM Revenue & Customs requires Vanquis Bank Ltd to take off tax from this interest. They must give Mr G a certificate showing how much tax they've taken off if he asks for one.

## **My final decision**

My final decision is that I'm upholding this complaint and Vanquis Bank Ltd must put things right as I've set out above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr G to accept or reject my decision before 5 May 2026.

Anne Scarr  
**Ombudsman**