

complaint

Miss M complains Vanquis Bank Limited was irresponsible in offering her a credit card in 2014. And she's also unhappy at what she sees as its aggressive marketing campaign over several years to persuade her to borrow money.

background

Miss M took out a credit card with Vanquis in July 2014. She says at this time she had some difficult personal issues to deal with. She also says she'd only just come out of a debt management arrangement the previous year and had a number of credit issues that should have been clear from her credit history. Miss M doesn't feel Vanquis carried out sufficient checks before offering her the credit card and that its approach was irresponsible. She'd now like it to write off her debt and remove any adverse information from her credit records.

And Miss M is unhappy Vanquis contacted her numerous times over several years inviting her to borrow money, which she feels was inappropriate.

But Vanquis says in line with its approach to all applications, it assessed Miss M's application on the information available at the time to ensure her credit stability and her ability to pay. In Miss M's case it carried out a credit check that showed no county court judgements, outstanding debts or defaults. Miss M also confirmed she was in full time employment and had an income of more than £40,000. On that basis it doesn't agree it acted irresponsibly.

With regard to its marketing information, it says its records show it contacted Miss M 22 times over a four year period. It doesn't feel this was excessive but says it was always open to Miss M to ask to opt out at which point no further communications would have been sent.

Our adjudicator said before offering credit, she'd expect a business to check the arrangement was affordable at the time. In this case she'd seen what Miss M had said about her personal and financial circumstances in 2014 but said Vanquis hadn't been aware of this at the time so couldn't take it into account. And the credit check it had carried out at that time hadn't shown any adverse information to suggest she was in financial difficulty.

She'd also listened to the call between Miss M and Vanquis prior to the card being issued and had heard Miss M confirm she was in full time employment and what her income was. She felt Vanquis had been entitled to rely on this.

Although Miss M had now provided information including another credit check to show she'd had financial problems in the years before 2014, this didn't appear to relate to the address Miss M had given in her application to Vanquis which, she felt, might explain why it hadn't shown up on its credit check in 2014. In the circumstances she didn't agree Vanquis had been irresponsible and wouldn't be asking it to write off the debt.

And while she understood Miss M had felt Vanquis had been aggressive in its marketing, she didn't agree that the number of communications over a four year period was excessive.

Miss M disagreed and asked for her complaint to be referred to an ombudsman. She said she'd been in debt management in 2013 and her debts at that time were more than £10,000 so she couldn't understand how this hadn't shown up on the credit check. And she'd felt "harassed" by Vanquis' marketing campaign. In her circumstances at that time the offer of £200 credit had been irresistible. But she now felt Vanquis had been irresponsible to lend to her and, as such, it should write the debt off and remove any adverse information from her credit file.

my findings

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 won't be asking it to write off the balance on Miss M's card or remove any information it's recorded against her credit file.

Miss M says, based on her credit history at that time, Vanquis shouldn't have accepted her application for a credit card in 2014. She believes it was irresponsible to do so and feels Vanquis couldn't have carried out adequate checks.

As the adjudicator has said, any application for credit should be properly assessed to ensure it's affordable and appropriate. The exact nature of the checks will depend on the type and amount of the credit required but they should be sufficient to identify any problems that might mean the credit isn't suitable for that person at that time.

I've seen Miss M says she had serious debts at the time she applied to Vanquis. But I've also seen Vanquis carried out a credit check on Miss M that didn't show any defaults or outstanding debts. And I've seen the information Miss M provided in her application about her income and her circumstances, which again didn't show any cause for concern. I appreciate Miss M says she was in a very difficult personal situation at that time but I have to consider what is fair and reasonable in the circumstances of the case. In this case I'm satisfied Vanquis couldn't reasonably have known this at the time or taken it into account in its assessment.

And while Miss M says the credit check couldn't have been correct as it doesn't reflect her actual financial record, I consider Vanquis was entitled to rely on the information it was provided with. If the financial problems had been registered against Miss M at the address she used in her application then it seems improbable they wouldn't have shown up in the credit check Vanquis had carried out. But the credit check didn't show any significant adverse information that would suggest Miss M wasn't able to afford the credit card limit of £250 so it seems more probable the other accounts weren't registered at this address. And as Miss M had stated she'd lived there for ten years, I don't think Vanquis was unreasonable in searching only against Miss M at this address and not any others.

In the circumstances I can't agree Vanquis was irresponsible in agreeing to her application at what was a modest limit.

I've also considered whether Vanquis was unreasonable in the number of times it contacted Miss M to offer its products. But while I can see Miss M says she was being "harassed" by an "aggressive" marketing campaign the information from Vanquis suggests the actual number was 22 over four years. And Miss M could have requested the mailings stop at any time. On that basis I don't consider Vanquis' actions were unreasonable.

Miss M has been very open about the problem's she's had in recent years and its clear this has been a difficult time for her, both personally and financially. But on what I've seen I don't consider Vanquis acted unreasonably so I won't be asking it to write off the debt or amend the information it's recorded on her credit file.

my final decision

My final decision is that I do not uphold Miss M's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss M to accept or reject my decision before 9 April 2018.

Cerys Jones
ombudsman