

## **Complaint**

Ms B complains that Vanquis Bank Limited lent irresponsibly when it increased her credit limit whilst she was in an IVA.

## **Background**

Ms B has told us she was party to an IVA between 2011 and 2016. In November 2012 Ms B opened a credit card with Vanquis with a credit limit of £250.

In November 2013 the credit limit was increased to £1,000. In June 2014 the credit limit went up to £2,000. In May 2015 it increased by £500 to £2500 and in June 2016 the credit limit went up to £3,000.

In 2018 Ms B had some difficulties maintaining her regular payment and agreed a repayment plan with Vanquis. Ms B later complained that Vanquis had lent irresponsibly, especially considering she was party to an IVA during this period.

Vanquis responded on 6 February 2019 but didn't uphold Ms B's complaint. Vanquis said it had completed credit searches and looked at the available information before deciding whether to proceed and that Ms B's credit limit increases appeared affordable. Ms B referred her complaint to our service and it was passed to an adjudicator. He said we could only look back six years which meant we can only consider Vanquis' actions from February 2013 onwards. The adjudicator didn't agree that Vanquis had lent irresponsibly and didn't uphold the complaint. Ms B asked to appeal so her complaint has been passed to me to make a decision.

## **My findings**

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

As the adjudicator has already explained, we're only able to look back over the six years before the complaint was raised which takes us to February 2013. I can see the adjudicator has discussed this with Ms B over the phone. My decision is about the events that happened after February 2013.

Ms B's credit limit was increased four times during this period, from an initial £250 to £3,000 in June 2016. Vanquis says it took a range of information into account on each occasion before deciding to proceed. I've looked at the information Vanquis had on file.

Ms B has told us she was in an IVA from 2011 to 2016 and feels that should have influenced Vanquis' decision. Vanquis says not all IVAs are reported on a consumer's credit file and that when it carried out credit searches against Ms B none were found. Vanquis says that it did find a County Court Judgement (CCJ) against Ms B when it was looking at the final credit limit increase in June 2016 but that it was historic in nature and didn't mean the credit limit couldn't go up.

I think IVAs are generally reported on a credit file so I don't know why Ms B's wasn't picked up by Vanquis. But I've seen the credit search results Vanquis got and they don't show Ms B was party to an IVA. The credit report does show a CCJ was picked up when it completed a credit search in November 2013. But the CCJ was around 29 months old at that point. Ms B says that's her IVA, but I'm satisfied the information Vanquis had available said it was a CCJ.

Vanquis says it will lend to customers who have experienced some credit issues in the past and that the CCJ it found wasn't recent. As a result, it says the credit limit increase from £250 to £1,000 in November 2013 met its lending criteria and I'm satisfied that's the case. After the November 2013 credit search, there's no trace of an IVA or CCJ on the information Vanquis obtained.

I've looked at each of Ms B's credit limit increases but I haven't been persuaded Vanquis lent irresponsibly. I can see that Ms B often paid more than her minimum payment. In addition, the credit searches Vanquis completed found Ms B had other credit but, based on the income she declared in the original application, felt the increases were affordable. Vanquis says it takes some adverse credit into account and that Ms B's limit increases were correctly approved.

I haven't found that Vanquis was aware she was party to an IVA. I've looked at the information Vanquis had available when it looked at Ms B's credit limit and I think its decision to proceed was reasonable. Overall, I'm satisfied Vanquis completed proportionate checks to ensure the borrowing was sustainable based on what it knew.

Ms B experienced financial difficulties in 2018 and Vanquis agreed to accept a reduced payment of £5 a month. Businesses should be positive and sympathetic to a borrower's financial difficulties. I think Vanquis has treated Ms B fairly by agreeing to a payment arrangement.

I'm sorry to disappoint Ms B but I haven't been persuaded to uphold this complaint. I'm satisfied Vanquis completed proportionate checks to ensure the credit limit increases were sustainable. I think its decision to proceed was reasonable based on the information it had.

### **My final decision**

My decision is that I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms B to accept or reject my decision before 1 March 2020.

Marco Manente  
**Ombudsman**