

## **complaint**

Mr C complains about Vanquis Bank Limited ("Vanquis") for increasing his credit limit on his credit card, despite being aware of his increased debt and greater spending on gambling. He wants Vanquis to refund interest and charges applied to the increased balance and to remove late payment and default markers from his credit file.

## **background**

I set out the background to this matter, and my provisional views, in a provisional decision issued in May 2020. That decision is attached.

In that decision, I explained that I thought that the complaint should be upheld, and that Vanquis was wrong to increase Mr C's credit limit in the circumstances. I explained that, in order to put things right, I thought that Vanquis ought to refund all interest charged on Mr C's balance above £150 from October 2017 onwards, to pay him interest on the sums refunded, and to pay him £50 compensation for his distress and inconvenience.

That provisional decision was shared with the parties and they were given the opportunity to comment and to submit further evidence.

Mr C has responded, indicating that he is happy with the decision and has nothing further to add.

Vanquis has responded making further comments, and disagreeing with the provisional 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.

Vanquis submits that during the period from November 2016 up until October 2017, Vanquis monitored Mr C's application history in applying for borrowing. It submits that by October 2017, Mr C was substantially less 'credit hungry' than he had been at earlier dates, and that he had not made any applications for short term borrowing in the previous 3 months.

Vanquis also points to the fact that, following Mr C missing or being late on his payment date, he cleared the full balance. Vanquis submits that these factors demonstrate that Mr C was not experiencing financial difficulty. Finally, it submits that it considered the minimum repayments affordable, and that when Mr C has exceeded his limit, this has been due to cash advance fees being added to gambling transactions, rather than a lack of affordability.

I have considered these submissions, but these do not substantially change my view. In my provisional decision I set out that it appeared that Vanquis considered the risk of lending to Mr C and were satisfied that he would be able to repay his debt, but that I could not see that Vanquis considered what, if any benefit, there would be to Mr C from increasing his debt facility proactively.

To be clear, I have not considered this complaint as one of financial difficulties, as Mr C has not indicated that he is unable to repay his debt. If he finds himself in financial difficulties and communicates this to Vanquis, I would expect Vanquis to respond to his situation positively

and sympathetically. Mr C's complaint was that the additional lending to him was irresponsible in the circumstances.

For the reasons set out in my provisional decision, I consider that the unsolicited increase in lending facility to Mr C, in October 2017, was irresponsible in light of Mr C's overall indebtedness and his management of the account over the previous 11 months. Vanquis's submissions have not changed my view.

Consequently, I adopt my provisional decision and reasons, as supplemented by this decision, as my final decision.

### **my final decision**

As set out above, and in my provisional decision, I uphold Mr C's complaint about Vanquis Bank Limited and I direct that:

- Vanquis Bank Limited refund all interest charged on Mr C's balance above £150, from October 2017 onwards. Interest at the rate of 8% ought to be added to any refunded sum from the date of payment up until the date of settlement.
- Any refunded charges and interest can be offset against Mr C's outstanding credit card balance, if applicable; and
- Vanquis pay to Mr C £50 compensation for his distress and inconvenience.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr C to accept or reject my decision before 12 July 2020.

Laura Garvin-Smith  
**ombudsman**