

complaint

Mr A complains Vanquis Bank Limited irresponsibly increased his credit limit on his credit card account.

background

Mr A took out a credit card in September 2012 with a credit limit of £500. In June 2016 Vanquis Bank reviewed the credit limit and increased it to £1250. And again in July 2017 it increased the credit limit to £2250. Mr A doesn't think that this was responsible as he thinks his history of making minimum payments and going over his credit limit should have been an indication that he couldn't afford an increase.

The adjudicator didn't recommend the complaint be upheld. Having looked at all of the information provided, she accepted that on occasions Mr A had exceeded the credit limit, but noted Mr A did correct this in a timely manner and had always maintained the minimum payment or more other than on two occasions in 2014. She felt that this conduct wasn't such that this service would feel it should interfere with a commercial decision to increase the credit limit.

Mr A disagrees. He points out that he has brought another complaint to this service about increases on his credit card limit made by another business. For this complaint the adjudicator recommended the complaint be upheld. He says he has had to take out payday loans to manage his debt.

my findings

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

I understand Mr A's point about his other complaint. Each complaint is looked at on its own merits and two similar complaints might have different outcomes because no two complaints are exactly the same. I have looked at his other complaint and there is a significant difference between the complaints. In this case the time that elapsed between the credit card being granted and the credit limit increases was years. In the other case the gap was months. When looking to increase credit limits businesses were required to consider the information they had at the time of the proposed increase. When an increase occurs shortly after a card is given then the business will still have a fairly recent credit file report to consider. When the increases occur years later the credit file report considered when the card was granted is much less relevant and the conduct of the account much more significant.

Vanquis set out in detail how it made its assessment of Mr A's credit worthiness. In this case Vanquis placed considerable importance on the management of the account over a number of years. But it did also consider Mr A's previous defaults and other information it had through credit scoring. In the end it concluded that Mr A was eligible for a credit limit increase. Mr A could, of course, have declined those increases. In all the circumstances of this case I can't say that Vanquis was unreasonable to place the emphasis it did on the account management over years. I'm satisfied it did consider the effect an increase would have on his financial situation.

I'm sorry to hear that Mr A is in financial difficulty. I urge Mr A to talk to Vanquis and to try and agree a way forward. I remind Vanquis that it has a duty to treat customers in financial difficulty positively and sympathetically.

my final decision

My decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr A to accept or reject my decision before 10 January 2019.

Nicola Wood
ombudsman