

## **complaint**

Ms T complains about a credit card she took out with Vanquis Bank Limited in 2013. She believes she should never have been allowed to take out the card as she could not afford to make the repayments. Ms T also says that Vanquis didn't activate the repayment option plan (ROP) on her account or freeze the account when she asked.

## **background**

Ms T took out a credit card in 2013 with a credit limit of £1,000. Ms T believes that because of her financial position at the time she should never have been allowed to take the card out, as it was unaffordable. Vanquis says it carried out checks when Ms T applied for the account and it was satisfied the credit limit of £1,000 was affordable.

Ms T also says that when she couldn't make the required repayments Vanquis didn't implement the ROP plan or freeze her account. Vanquis says however it wasn't asked to freeze the account or implement the ROP plan so the account remained active. Vanquis also refers to the card being used in June 2014 and it therefore believes Ms T was aware the account wasn't frozen or on a 'payment holiday'.

Ms T's complaint was considered by one of our investigators and he explained why he didn't think the complaint should be upheld. In summary, he was satisfied Vanquis acted reasonably in granting the card at the outset. He also thought Vanquis wasn't unreasonable in not implementing the freeze on the account as it wasn't asked to at the time.

Ms T didn't accept the investigator's conclusions, so the case has been referred to me for consideration.

## **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 have not upheld Ms T's complaint.

Ms T believes that she should never have been allowed to take out the credit card with Vanquis as her financial circumstances meant she couldn't afford to pay back what she spent on the card. She says at the time of taking out the card she was self-employed and a student and her income included her student loans payments. She says she had existing debts and several payday loans that were rolled over.

This is what Ms T has told us now about her circumstances, but this doesn't appear to be information that was made available to Vanquis at the time she took out the card. When agreeing to provide credit Vanquis, like other lenders, is required to ensure that credit is affordable and can be repaid by the consumer. The rules around this changed in 2014 but they were broadly the same in 2013 when Ms T took out the credit card. Vanquis was required to carry out a proportional assessment into Ms T's circumstances to ensure she could repay the credit she was taking out. The credit assessment was proportionate on the amount of credit being provided so someone borrowing large sums over long periods would be expected to have more detailed checks to ensure they could afford to repay it.

In this case Ms T was taking out a credit card with £1,000 of available credit and I would not expect Vanquis to therefore carry out exhaustive checks into Ms T's circumstances. While I

have noted what Ms T has recently told us about her circumstances at the time she took out the card, I must consider whether Vanquis carried out a proportionate check at the time it agreed to provide the credit. Vanquis has told us it understood Ms T was self-employed and earned £20,000 per year. It says this information was confirmed in a follow up call to Ms T after the application was completed. Vanquis also carried out a credit check and said that it was only aware of existing borrowing of around £1,600. There was nothing to indicate Ms T was more heavily in debt or had been repeatedly borrowing from payday lenders.

Having considered the specific circumstances of this case I'm satisfied that Vanquis did carry out sufficient and proportionate checks at the time when agreeing to provide the credit to Ms T. I haven't seen anything within those checks that would have alerted Vanquis to any potential problems Ms T had at the time that would mean should couldn't afford to repay the credit card.

Ms T also complains that Vanquis didn't treat the account as frozen or activate the repayment option plan when she asked. While I note that Ms T believes she had a specific call with Vanquis about this in 2014, Vanquis disputes this and says it has no record of any such request. I haven't seen anything to support Ms T's recollection of a call in 2014 and I also note that Ms T did use the card when she says she believed it was frozen.

On balance, I'm not persuaded Ms T's recollection is accurate or that she did therefore ask that the account be frozen or for the ROP to be activated. Had Ms T understood the account was frozen I think she wouldn't have continued to use the card.

I appreciate Ms T will remain unhappy with the decision I have come to here, but I'm not persuaded Vanquis has acted unfairly or unreasonably in this instance.

### **my final decision**

My final decision is that I do not uphold Ms T's complaint against Vanquis Bank Limited.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms T to accept or reject my decision before 1 December 2019.

Mark Hollands  
**ombudsman**