



The complaint

Miss N complains that Vanquis Bank Limited (“Vanquis”) lent to her irresponsibly.

What happened

Miss N applied for a credit card with Vanquis in June 2018. She was accepted and given a credit limit of £500 which was increased in October 2018 to £1,000. In January 2020 it was increased to £1,750.

In July 2023 Miss N complained to Vanquis. She said Vanquis shouldn't have provided her with the credit. She said it didn't take account of her financial situation at the time and that it should have refused her credit. She said Vanquis didn't check properly that it was affordable for her and that she struggled with debt as a result.

Vanquis didn't uphold Miss N's complaint, so she brought it to this service.

Our investigator didn't uphold Miss N's complaint. She didn't have sufficient evidence to support a finding that Vanquis had done anything wrong in its lending decisions and that Miss N had lost out as a result.

Miss N disagreed. Our investigator again invited Miss N to supply further evidence of her financial circumstances at the time, but Miss N declined to do so.

As Miss N did not agree the complaint has been passed to me to make a decision

What I've decided – and why

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

. We've set out our general approach to complaints about unaffordable and irresponsible lending - including the key relevant rules, guidance and good industry practice - on our website and I've taken that into account when considered Miss N's complaint.

Having done so, I've come to the same conclusion as our investigator. I'll explain why I've reached this conclusion.

Vanquis needed to take reasonable steps to ensure it didn't lend irresponsibly. In practice this means that it should have carried out proportionate checks to make sure Miss N could afford to repay what she was being lent in a sustainable manner. These checks could take into account a number of different things, such as how much was being lent, the repayment amount, Miss N's borrowing history and her income and expenditure.

Vanquis has provided evidence that it completed a credit check when Miss N applied for her credit card. It showed no recent adverse information, there were no outstanding County Court Judgments (CCJs) or other evidence of recent non-payment of credit. It asked Miss N

her income and she had only £1,000 in other credit at the time. Sustainable repayments, if Miss N used the whole of the credit limit at once, would have been around £25 a month. On the basis of this information, I think Vanquis carried out proportionate checks and acted reasonably on the information it obtained.

Vanquis increased Miss N's credit limit by £500 about four months later. Vanquis's checks at the time showed that Miss N's financial circumstances were similar to those four months earlier. A historic default from almost five years earlier was noted. There were no CCJs and Miss N wasn't using short term lending. She hadn't missed any payments and she wasn't using her credit card to withdraw cash. Although Miss N's external borrowing had increased by around £200 this was to be expected in light of the provision of the credit card with a credit limit of £500 some four months earlier. Again, I think Vanquis carried out proportionate checks and acted reasonably on the information it obtained.

The final increase came in January 2020, when Miss N's limit was increased by £750 to £1750. At this point Miss N's financial circumstances seemed to be less secure. She had considerably greater credit commitments, owing £9,750 to creditors. This was more than Miss N's declared annual income. Miss N was using a high proportion of the credit available to her.

Vanquis asked Miss N about her income and expenditure. She confirmed that her income was around £950 a month and that her total monthly expenditure was around £745. It was noted that Miss N's partner covered their housing costs.

Given the change in circumstances I think Vanquis ought to have completed further checks of Miss N's income and expenditure. But this doesn't mean I should automatically uphold Miss N's complaint. I need to understand what Vanquis might have seen if it had completed further checks.

I don't know what checks Vanquis would have chosen to do if it had done more checks; there is no prescriptive list of checks a business must do. In the absence of any further information, I think it's reasonable to look sources of information about Miss N's circumstances at the time, such as copies of her bank statements. Sight of her bank statements would have helped me understand if Miss N was struggling to meet repayments (rather than missing them) and whether she had enough disposable income once all her essential expenditure was paid to be able to afford the extra credit Vanquis offered.

Miss N didn't think we needed to see her bank statements and she declined to provide them on several occasions, which is entirely her right. However, as I've already explained, it isn't enough for me just to say Vanquis might have done something wrong. I need to understand what should have happened if Vanquis had done everything right. If Miss N had provided evidence of what Vanquis might have seen if it had done all the checks I think were likely necessary and it showed she struggled in the way she has said she did, I may have considered that Miss N suffered a loss as a result of Vanquis not acting fairly. Unfortunately, as Miss N has declined to provide this evidence I cannot fairly say that this was the case.

So, on the information available to me I can't fairly say that Miss N lost out as a result of anything Vanquis did wrong.

My final decision

For the reasons I have set out above I do not uphold Miss N's complaint. It follows that Vanquis Bank Limited does not have to do anything further.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss N to accept or reject my decision before 10 January 2024.

Sally Allbeury
Ombudsman