

## **The complaint**

Mr D complains that Capital One (Europe) plc irresponsibly increased the credit limit on his credit card account and unfairly charged him interest and fees.

## **What happened**

Mr D says he had a gambling addiction for many years which ought to have been obvious to Capital One. He says it increased his credit limit which was irresponsible as it led to further unaffordable spending. Mr D also says that he was charged fees and interest which he would like refunded and says Capital One didn't look at his bank statements which would have shown the level of his gambling. He would like interest paid on the refund and any adverse data removed from his credit file.

Capital One doesn't accept making a mistake or acting unfairly. It says Mr D opened the account in 2007 and in 2016 it increased his credit limit from £200 to £800. It also says its systems approved the increase based on Mr D's account usage and says any charges or interest were applied in line with account terms and conditions.

Mr D brought his complaint to us and our investigator thought we could only look at the complaints about what had taken place in the six years before the complaint was brought. The investigator thought the interest and charges were applied in line with account terms and conditions and that Capital One was under a duty to report accurate account information to the Credit Reference Agencies (CRA's). The investigator thought appropriate checks had been carried out before the credit limit increase and that Mr D hadn't told Capital One about his gambling problem.

Mr D accepts what the investigator says about the time limits but says his credit score was poor at the time, and he was using his credit card for gambling. He maintains the lending was irresponsible.

## **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. Having done so, I have come to the overall view that Capital One has dealt fairly with this complaint.

I have looked at the account terms and conditions which I think Mr D would have agreed to when the account was first opened. Those terms and conditions say that Capital One will make charges in certain circumstances. So I don't think it has made a mistake here or acted unfairly by making such charges where for example there was a late payment or where Mr D exceeded his credit limit. I can't fairly order Capital One to refund those charges or any interest Mr D has paid in those circumstances.

I have carefully looked at Mr D's account history and can see that the account was opened in 2007 and that Mr D appears to have had a regular income throughout that period. I'm

satisfied that in the 12 months leading up to the credit limit increase Mr D managed his account appropriately and on the whole made regular monthly payments as required. I also think the credit limit increase was relatively modest from £200 to £800 and in those circumstances I'm satisfied Capital One carried out proportionate and reasonable checks before increasing that limit. I think Mr D could have declined the offer if he wished.

I appreciate Mr D says he had a gambling addiction and that he has provided his bank account statements that show those transactions. But I don't think Capital One would have seen those account statements or would have been aware of the extent of any problems. I don't think Mr D told Capital One about such problems and in any event it's up to Mr D to decide what he uses his Capital One account for.

So I don't think overall Capital One has irresponsibly increased Mr D's credit limit. And having looked at the information Mr D has given us about his credit file I can see that Mr D didn't have any defaults registered on it which I think also provides evidence that the credit limit increase wasn't irresponsible.

Capital One has a duty to accurately report the position of its customers accounts to the CRA's. So I can't fairly order it to remove any adverse data it may have reported to the CRA's about Mr D's account.

As I don't think Capital One has made a mistake or acted unfairly then I can't order that it refund any charges or interest.

### **My final decision**

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

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr D to accept or reject my decision before 29 August 2020.

David Singh  
**Ombudsman**