

## **The complaint**

Miss M complains that Capital One (Europe) plc irresponsibly allowed her to open a credit card account.

## **What happened**

Miss M she opened the Capital One account in March 2019 and at the time had a number of loans. She says she had a gambling problem and if Capital One had looked at her bank statements it would have known that. Miss M says the lending was irresponsible and unaffordable and would like the balance written off and any interest or charges refunded. She says she had mental health problems and they were affected by Capital One's lending decision.

Capital One says it carried out appropriate checks on Miss M's application and says she was working with an income of over £16,000 with limited outgoings. It says there wasn't any adverse information recorded on Miss M's credit file and it received required repayments until July 2019 when she entered into a debt plan. Capital One says the account defaulted at the same time.

Miss M brought her complaint to us and our investigator didn't uphold it. The investigator thought Capital One had carried out appropriate checks and didn't need to check the bank statements. And a moderate credit limit was approved. The investigator thought Miss M had the benefit of the money and so it would be unfair to order Capital One to refund it and that it correctly registered a default.

Miss M doesn't accept that view and says although there was under 20 gambling transactions it was a lot of money to her.

## **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 I don't uphold this complaint. I appreciate Miss M will be disappointed by my decision.

Lenders and providers of credit should carry out reasonable and proportionate checks on any credit or lending applications. Those checks will of course vary on the type of lending and the amount. This was an application for a credit facility.

I have looked at Capital One's records and can see that Miss M applied for the account and told it she was in employment earning over £16,000 a year. I can see Capital One carried out checks on the application which included checks of Miss M's credit file. I don't think Miss M had any adverse information recorded on her credit file such as any defaults or County Court Judgements. So, I'm satisfied Capital One carried out reasonable and proportionate checks on Miss M's application and gave her what I think is a relatively modest credit limit of

£500. It follows that I don't think the lending was unaffordable or irresponsible and I have not seen evidence of multiple loans.

I appreciate Miss M says Capital One should have looked at her bank statements or asked her about any issues. But I think it was up to Miss M to tell Capital One about any such issues and as Miss M knows, gambling is not illegal and it's up to her to decide how to spend her money. I don't think it reasonable for Capital One in these circumstances to have checked the bank statements and looked at how Miss M spent her money. I have made clear that I'm satisfied Capital One did carry out appropriate checks.

I think Capital One is required to accurately report the account position to the Credit Reference Agencies and find that is what took place here. I also make clear to Miss M that even if I thought the lending was inappropriate, I would not have ordered Capital One to write off the balance owed, as clearly Miss M had the benefit of that money.

Overall, I'm satisfied Capital One carried out reasonable and proportionate checks on Miss M's credit application and so I can't order it to do anything further in the circumstances of this complaint.

### **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 Miss M to accept or reject my decision before 12 June 2021.

David Singh  
**Ombudsman**