

## **The complaint**

Mr G complains that Capital One (Europe) plc ('Capital One') irresponsibly gave him a credit card account that he couldn't afford.

## **What happened**

On 29 July 2015, Mr G applied for and was given a credit card account with Capital One with a credit limit of £200. The credit limit was never raised. The account was settled in full and closed in August 2016.

In July 2021, Mr G complained to Capital One to say that the account shouldn't have been opened for him because it wasn't affordable.

Our adjudicator didn't recommend the complaint be upheld. Mr G didn't agree. So, the complaint has been passed to me to decide.

## **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.

I've read and considered the whole file, but I'll confine my comments to what I think is relevant. If I don't comment on any specific point it's not because I've failed to consider it but because I don't think I need to comment on it in order to reach what I think is the right outcome in the wider context. My remit is to take an overview and decide what's fair "in the round".

Capital One will be familiar with all the rules, regulations and good industry practice we consider when looking at a complaint concerning unaffordable and irresponsible lending. So, I don't consider it necessary to set all of this out in this decision. Information about our approach to these complaints is set out on our website.

Mr G's complaint is that Capital One made credit available that was unaffordable. Capital One has explained that it carried out a credit check using a credit agency to determine the amount of credit it was able to offer. It's possible that Capital One failed to make adequate checks before providing Mr G with credit. But even if that's true, I don't think better enquiries would have caused Capital One to think the credit was unaffordable.

I say this because the initial credit limit was very modest and the monthly payments for that credit would have been modest. Mr G told us he was employed at the time of the lending decision. And I have not seen evidence of financial difficulties at that time to make me think that Capital One would have been put off providing very modest credit on this credit card. I have seen that the credit check showed that Mr G had adverse markings but only one in the 12 months before the lending decision. The amount at issue with that entry was very modest. But it does shed some light on why the initial credit limit offered to Mr G may have been so modest.

So, having considered all the submissions made in this case, and in the absence of any extra evidence from Mr G to the contrary, I have seen insufficient evidence to think that more thorough affordability checks would have led Capital One to think that the credit it provided Mr G was unreasonable. Further, I'm not persuaded that what Capital One could see of his management of other credit ought to have prompted it to have acted differently than it did.

I know that Mr G will be disappointed with my decision. I want Mr G to know that I was sorry to hear about the personal issues of his situation at the time of the lending decision. But I also want him to know that I have considered all of the submissions made to me in this case. Having done so, I have not found sufficient evidence to uphold this complaint.

### **My final decision**

For the reasons given above, I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr G to accept or reject my decision before 20 July 2022.

Douglas Sayers  
**Ombudsman**