

The complaint

Miss T complains that Capital One (Europe) plc lent to her irresponsibly.

What happened

Miss T applied for a credit card with Capital One in November 2019. The credit card account was opened with a credit limit of £200 which never increased.

Miss T says that Capital One shouldn't have provided her with the credit. She says it didn't take account of her financial situation at the time and that it should have refused her credit. She says Capital One didn't check it was affordable for her.

Our adjudicator didn't uphold Miss T's complaint. They didn't think Capital One had done anything wrong in its lending decisions.

Miss T disagreed. She didn't explain why, but as she didn't 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 T's complaint.

Having done so, I've come to the same conclusion as our adjudicator. I don't think Capital One acted unfairly and lent to Miss T irresponsibly. I'll explain why I've reached this conclusion.

Capital One 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 T 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 T's borrowing history and her income and expenditure.

Capital One has provided a copy of the checks it completed when opening Miss T's account. It says these show that it was reasonable to lend to Miss T in the way that it did.

I can see from this list that Capital One saw that Miss T had been in default on a payday loan about 18 months before. But this alone wasn't necessarily a reason not to lend to her. The other credit checks showed she was managing credit well with other lenders. It also asked Miss T her income and Miss T told Capital One that she was earning £35,000 a year. Taking into account all of her open credit accounts at the time of applications Capital One

considered Miss T could comfortably manage a further credit line of £200. And I think this was a reasonable conclusion to reach.

Based on this a credit limit of £200 appeared affordable and Miss T didn't appear to be overindebted. Overall, I'm satisfied that the checks Capital One completed were reasonable and proportionate in the circumstances and it didn't make an unfair lending decision. I can see that during the time the credit card account was open that Miss T missed some repayments and eventually defaulted on the account. But I haven't seen anything to suggest Capital One did anything wrong in the way it managed this.

Miss T provided evidence that complaints she made about other credit and loan accounts to other businesses were upheld by them. I cannot comment on those complaint outcomes but I am satisfied that I have taken into account all the relevant information in this particular case.

On balance, I don't think Miss T lost out as a result of anything Capital One did wrong

My final decision

For the reasons I have set out above I do not uphold Miss T's complaint. It follows that Capital One (Europe) plc, does not have to do anything further.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss T to accept or reject my decision before 20 June 2022.

Sally Allbeury
Ombudsman