

## **The complaint**

Mr S complains that Capital One (Europe) plc ('Capital One') irresponsibly gave him four credit cards that he couldn't afford.

## **What happened**

On 1 March 2018, Mr S applied for and was given a credit card with a credit limit of £200. The card was paid off in full and closed in September 2018.

On 10 January 2019, Mr S applied for and was given a credit card with a credit limit of £200. The card was paid off in full and closed in May 2020.

On 10 August 2020, Mr S applied for and was given a credit card with a credit limit of £200. The card was paid off in full and closed in March 2021.

On 9 September 2021, Mr S applied for and was given a credit card with a credit limit of £500.

In 2023, Mr S complained to Capital One to say that the credit cards shouldn't have been opened for him because they weren't affordable and that Capital One ought to have made a better effort to understand his financial circumstances before providing him with credit. Capital One declined to uphold the complaint. And Mr S brought his complaint to this service.

Our investigator thought the complaint should not be upheld. Mr S disagreed with that. So, the complaint was 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 S's complaint is that Capital One made credit available that was unaffordable. Capital One has explained that it relied in part on information that Mr S provided at the time of application to assess affordability. Mr S declared an income that was not modest both in itself and in relation to the very modest credit card credit limits. I think that the income was

sufficient to underpin such modest credit card amounts for all the lending decisions in this complaint.

At the time of each lending decision, Capital One carried out a credit search in Mr S's name to assess Mr S's level of debt at that time and to understand how he had been managing that debt. With that information and using their own scoring metric, Capital One decided to agree to the credit limits detailed above. I have considered the credit check information for each lending decision. Having done so, I have seen insufficient in them to have made Capital One think they should avoid further lending to Mr S.

I say that because the Capital One checks showed that the extent of Mr S's existing borrowing was not such that it made any further lending automatically unreasonable. And Mr S's credit file was largely clean at the time of the credit card application. When I say this, I mean that Mr S's management of his existing credit showed no *recent* history of CCJ's, defaults or bankruptcy.

And Capital One had experience of Mr S's management of his previous credit cards for each subsequent lending decision. Whilst I have seen some evidence of late payments on those accounts, I have seen insufficient in Mr S's past use of credit from Capital One that would have led them to want to avoid providing further lending to him.

So, whilst I have seen some evidence of adverse lending on the credit checks, it would have seemed to Capital One from the information they had from credit reference agencies that, at the point that the lending decisions were made, Mr S was affording his existing credit *in the months closest to the new lending*. And although there was evidence of some late payments on Mr S's existing credit cards with Capital One, they were each paid off in full before a new card was applied for.

And so, Capital One were not put on notice of any reason not to agree the lending from that. And so, I don't think that the information that Capital One had at the time of the lending decisions, would have led them to feel they ought to make more searching enquiries of Mr S's expenditure.

I cannot use hindsight in deciding complaints about unaffordable lending. I have seen no evidence that Mr S made Capital One aware of his gambling at the time the first credit card in this complaint was applied for or thereafter. Looking at the statements for the credit cards, there was only minimal usage of credit provided by Capital One for that purpose. And whilst Mr S is correct to raise with us the issue of the cash withdrawals he made, there was no obvious reason Capital One should have thought these were being used for gambling.

And neither Mr S's management of his credit cards nor his management of his other borrowings had been adversely obviously affected by it at the time the subsequent credit cards were taken out. So, I don't think that Capital One had any reason to make further enquiries before lending or to have avoided the credit cards.

So, having considered all the submissions made in this case, and in the absence of any extra evidence from Mr S to the contrary, I have seen insufficient evidence to think that Capital One were at fault for not making more searching enquiries into Mr S's circumstances before providing Mr S with the modest amounts of credit that they did. For the same reason I do not think the credit cards Capital One provided were unreasonable.

I have considered all the submissions made in this case, particularly those that inform the time of the lending decisions. Having done so, I have not found sufficient evidence to

uphold this complaint. I have seen insufficient evidence to think that the credit Capital One are responsible for was unreasonable.

### **My final decision**

For the reasons given above, I'm not upholding this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr S to accept or reject my decision before 11 January 2024.

Douglas Sayers  
**Ombudsman**