

The complaint

A company which I'll call "E" complains that New Wave Capital Limited trading as Capital on Tap (COT) mis-sold it a business credit card.

E has been represented in this complaint by one of its directors, Mr T.

What happened

In July 2023, E successfully applied for a business credit card with COT. To complete the application process, E was asked by COT to use its customer online portal and review key documents. These included the Credit Agreement and Personal Guarantee.

E didn't complete this process immediately so, in September 2023, COT phoned E to see if it still wanted to complete the application. COT explained the features and benefits of the card and, following the call, E completed the application process, and the credit card facility became active.

In December 2023 the credit card account fell into arrears. COT attempted unsuccessfully to contact E to discuss the arrears and remind it of the personal guarantee.

COT continued to try and contact E and, because it didn't receive any payment or contact from E, issued a Notice of Default in January 2024 and terminated the agreement in February 2024.

In May 2024, COT sold the account and outstanding debt to a collection agency.

E complained to COT. It said it had been mis-sold the credit card facility and would not have entered into the agreement if all the implications had been clearly explained. E said COT should have undertaken more thorough affordability checks before providing the credit card lending facility. E also felt it had been pressured into taking the credit card by COT.

COT didn't agree. It said all the necessary information had been made available to E. And it said it hadn't pressured E into taking the credit card during follow calls its staff had made. E wasn't satisfied with this response so brought the complaint to this service.

Our Investigator reviewed the complaint and didn't think COT had done anything wrong.

She thought E had been given all the necessary information and that the affordability checks and application process was correctly followed by COT. And she also didn't find any evidence of COT pressuring E into taking the credit card.

E was unhappy with this response, so the complaint has been passed to me for a final 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.

Much of the evidence I've looked at relates to the impact on the personal guarantor of the credit card. The role of the personal guarantor in this complaint is the subject of a separate decision and so I'll make no comment or judgement here.

In this decision I've only considered if COT acted fairly and reasonably when it provided a credit card facility to E. And having looked carefully at the evidence available I think it did. I've first considered if COT provided E with all the necessary information relating to the credit card.

I can see that the Personal Guarantee and Credit Card Agreement were made available to E and that, once E had reviewed and electronically signed them, COT sent E a follow up email which enclosed copies of the signed documents.

This is what I would expect COT to have done and, because it contained all the necessary information for E to understand the implications and responsibilities of taking the credit card facility, I think E was fully aware of all relevant information when it signed the credit agreement.

I've also considered if COT pressured E into taking the credit card and I don't think it did. E applied for the credit card in July 2023 but didn't immediately activate it.

I've listened to the follow up call COT made to E in September 2023 and at the end of this call the agent agreed to send E an email with further instructions if E decided to activate the card.

This was because E wanted to time to consider. COT allowed E this consideration time and I've seen no evidence of any further contact COT made to E before E made the decision to activate the card.

In addition, all the key features of the credit card were explained in the September 2023 call and so I think E was provided with clear product information.

On this evidence I think COT provided E with sufficient time and information to make an informed decision to take the credit card facility. And so, I don't think the credit card was mis-sold.

E has said it thinks COT failed to undertake the necessary regulatory affordability checks before allowing the credit facility. I've looked carefully at the evidence and don't agree. The credit agreement between E and COT was unregulated and so the regulations and processes E thinks COT should have followed don't directly apply. That said, I would expect COT to have acted responsibly when deciding to offer E credit facilities. I can see that COT undertook a creditworthiness assessment as part of the application. This assessment included analysis of a number of factors such as credit utilisation on personal credit facilities and arrears on commercial credit facilities.

COT used information provided by E when making its assessments and I'm also minded that E has not provided any evidence to show that it couldn't afford the facility.

Given this, I think COT broadly did what I expect it to have when deciding to provide E with credit facilities.

Finally, E has commented more widely about COTs business practises relating to small businesses. I make no comment on this as my role here is limited to deciding if COT acted fairly and reasonably when it provided E with a credit card facility. And I think it did.

My final decision

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

Under the rules of the Financial Ombudsman Service, I'm required to ask E to accept or reject my decision before 15 September 2025.

Ben Castell
Ombudsman