

The complaint

Miss K complains Capital One (Europe) plc allowed someone to open a credit card in her name.

What happened

In June 2024, Miss K received letters from Capital One saying it had sold a debt on a credit card in her name and a debt collection agency I'll call L, asking for repayment of the credit card debt, which she said she knew nothing about. Miss K contacted Capital One.

Capital One investigated and agreed the account had not been opened by Miss K. It arranged to close the account and sent Miss K a letter to explain what it had done. However, Capital One initially sent the letter to the address the unauthorised party had used, and not Miss K's actual address.

Miss K complained to Capital One. It said while it tries to prevent fraudulent applications, it isn't always able to do so. And it was sorry for sending the letter about the outcome of the fraud investigation to the wrong address. To reflect the distress and inconvenience caused, it offered Miss K £100.

Miss K wasn't happy with this and referred her complaint to our service.

An Investigator considered the circumstances. He said, in summary, he was satisfied that Capital One couldn't have known the application wasn't genuine at the time it was made. And, that it acted appropriately and promptly when Miss K made it aware the account had not been opened by her.

Miss K didn't accept the Investigator's findings. She said was still not satisfied Capital One had conducted sufficient checks when the account was opened.

As Miss K didn't agree, the complaint's been passed to me.

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 noted that Miss K wants compensation in the range of £2,500 - £5,000 and she's previously mentioned she'd like Capital One to be fined. It's not the role of this service to punish financial businesses. It's our role to consider whether a financial business has done something wrong and if so, what they need to do to put things right. Sometimes that includes an award for non-financial loss (compensation), but the amount will depend on the impact of the business' mistake on the consumer.

There's no dispute the application for the credit card account was fraudulent. But Miss K is, understandably, concerned that Capital One approved the application in the first place.

Having reviewed the evidence Capital One has provided, I'm satisfied that it carried out appropriate checks when the application was submitted. Capital One noticed the address used for the application did not match Miss K's genuine address on her credit file. They asked for further information from the unauthorised party, before approving the application. The unauthorised party was able to provide detailed information in response to Capital One's enquiries, and I'm satisfied, at the time, Capital One wouldn't have known the application wasn't being made by Miss K.

When Miss K contacted Capital One on 2 July 2024, it investigated straight away and had agreed the application was fraudulent and took appropriate steps to remove Miss K from the account promptly – by 18 July 2024. But Capital One sent a letter about its decision in relation to the fraud, to the address the unauthorised party had used and not Miss K's genuine address. So Miss K wasn't made aware of this decision until she called for an update on 26 July 2024.

Miss K has said she made multiple calls to chase things up. Capital One has provided the calls it had with her and I've listened to them. Miss K called to report matters initially on 2 July. She called again on 3 July to provide the crime reference number. Miss K also spoke to Capital One on 12 July 2024 when it called her to ask some further questions. There don't appear to be any further calls until 26 July, during which she was told she wasn't liable for the account. So although Miss K did have to follow up, I'm satisfied she was told in a reasonable time the outcome of Capital One's investigation.

By its very nature, being the victim of fraud, causes distress and inconvenience. And I understand the letters about the account came when Miss K was pregnant and vulnerable. I can understand why she was worried to discover the fraudulent account and that it came at an already sensitive time in Miss K's life. But, I've already explained why I don't think Capital One did anything wrong when the account was first opened – so it wouldn't be fair or reasonable to hold it responsible for the unauthorised party's actions in these circumstances.

That said, Capital One did make a mistake by sending a letter about the outcome of the fraud claim to the unauthorised party's address. Miss K is particularly concerned that Capital One did this when it was aware she was pregnant, and this was a breach of her personal data. Even though the letter went to the wrong address, I've already explained why I still think Miss K was told about the outcome of the fraud claim within a reasonable period. Considering though the nature of this mistake, that it meant Miss K had to chase for an update and that it came at a time Miss K was already concerned about her personal information being used fraudulently, I find the £100 Capital One has already offered is fair and reasonable.

My final decision

For the reasons I've explained, I find what Capital One (Europe) plc has already offered to do is fair and reasonable in resolution of this complaint.

To put things right, Capital One (Europe) plc should pay Miss K £100 if it hasn't done so already.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss K to accept or reject my decision before 20 October 2025.

Eleanor Rippengale
Ombudsman