

The complaint

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

What happened

Ms T complains Capital One failed to carry out adequate checks before approving the lending decision below:

Date	Credit limit
1 March 2023	£500

Capital One issued their final response and explained they weren't upholding Ms T's complaint. They explained they used data from credit referencing agencies (CRA), alongside information provided by Ms T in her application, and non-customer specific data (such as from the Office of National Statistics). And these checks showed the credit card was affordable. Ms T remained unhappy, so brought her complaint to our service.

Our Investigator also didn't think Ms T's complaint should be upheld. He explained he was satisfied Capital One's checks were reasonable and proportionate, and the results suggested the credit card was affordable.

Ms T disagreed with our Investigator, so her complaint was 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.

Having considered everything, I'm not upholding Ms T's complaint. I'll explain my reasoning below.

We've explained how we handle complaints about unaffordable and irresponsible lending on our website. This is something Capital One is familiar with, and I've used this approach to help me decide Ms T's complaint.

Capital One needed to make sure they didn't lend irresponsibly. In practice, this means they needed to carry out reasonable and proportionate checks so they could understand whether Ms T could afford to repay what she owed in a sustainable manner. This is sometimes referred to as an "affordability assessment" or "affordability check".

The checks needed to be borrower focused – meaning Capital One had to consider if repaying the credit sustainably and within a reasonable period of time would cause difficulties or adverse consequences for Ms T. It wasn't enough for Capital One to consider the likelihood of getting their funds back – they had to consider the impact of the repayments on Ms T.

Checks also needed to be proportionate to the specific circumstances of the lending. What constitutes a proportionate affordability check will depend on several factors, but not limited to, the particular circumstances of the consumer, and the amount/type/cost of credit they were seeking. So, I've kept all this in mind when thinking about whether Capital One did what they needed to before lending to Ms T.

Before lending to Ms T, Capital One considered the information provided by Ms T in her application, and information they gathered from CRAs. This showed Ms T had an annual income of £30,000, no housing costs, no dependants, and external debt totalling £4,689.

Ms T's annual income meant she would have been receiving just over £2,000 per month. Capital One's checks suggest the total amount of Ms T's monthly repayments to her external debt was around £393. This left her with a healthy disposable income of over £1,600, and I consider this amount to be sufficient to comfortably repay a £500 credit limit.

The checks did show Ms T had one default reported, but this was from November 2021. Given more than 15 months had passed before Ms T applied for her credit card, I don't consider that ought to have raised great concern for Capital One as her accounts generally appeared to have been well managed since then. I've also seen there was one missed payment in the 12 months prior to the credit card application. But there's nothing to suggest there was an ongoing problem with Ms T's ability to manage that account, so again I don't consider further checks were required.

Given the above, I'm satisfied Capital One's checks were reasonable and proportionate. And based on the information they gathered, I consider they treated her fairly when they approved the £500 credit limit.

Ms T has argued that she suffered a serious accident, and this impacted her ability to manage her finances. I am sorry to hear this happened and thank Ms T for being open and sharing this with us.

While I've noted what Ms T has said about her accident, I can't ignore that she hasn't specified when this happened. But even if this did occur before her credit card application, I don't agree this is something that could have influenced Capital One's decision to lend. And that's because I've seen nothing to show Ms T made them aware of the accident or the impact it had on her finances.

The credit card application was the start of Ms T's relationship with Capital One, and I don't consider it would have been reasonable or proportionate for them to go asking questions to the extent that would have resulted in Ms T divulging information about her accident. So, while I empathise with the personal circumstances Ms T was navigating, I'm not persuaded they change the outcome of this complaint.

I've considered whether the relationship might have been unfair under s.140A of the Consumer Credit Act 1974. However, for the reasons I've already given, I don't think Capital One lent irresponsibly to Ms T or otherwise treated her unfairly. I haven't seen anything to suggest that s.140A or anything else would, given the facts of this complaint, lead to a different outcome here.

I know this isn't the outcome Ms T hoped for. But for the reasons explained above, I'm not asking Capital One to do anything to put things right.

My final decision

My final decision is that I'm not upholding Ms T's complaint about Capital One (Europe) plc.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms T to accept or reject my decision before 17 July 2025.

Sarrah Turay
Ombudsman