

The complaint

Mr M complains that Capital One (Europe) plc ('Capital One') haven't offered him a credit limit increase since he opened his credit card in 2014, and haven't provided adequate reasons for this.

What happened

Mr M asked Capital One in October 2024 if they'd consider giving him an increased credit card limit as his low limit didn't offer him much manoeuvrability.

Capital One responded that to proceed with an application to increase his credit limit Mr M would need to request this online or through his banking app, but they didn't think he was eligible for an increase at the time. Capital One gave examples of what they'd look at when considering a credit limit increase and said Mr M didn't currently meet their criteria.

Mr M complained to Capital One that their reasons were inadequate, and wasn't happy with their response. So, he referred his complaint to the Financial Ombudsman Service.

Our investigator didn't think Mr M had been treated unfairly by Capital One, so didn't uphold his complaint.

Mr M questioned the fairness of not being offered an increased credit limit, given his account history over the last ten years. He asked for an ombudsman to consider his complaint, which is how I've become involved.

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 taken into account any relevant law and regulations, the regulator's rules, guidance and standards, codes of practice and (where appropriate) what is considered to have been good industry practice at the relevant time.

Having reviewed the submissions and available evidence from both parties I have decided not to uphold Mr M's complaint, for broadly the same reasons as those reached by our investigator. I'll explain why.

I think it would be helpful to explain the role of the Financial Ombudsman Service is to resolve individual complaints based on what is fair and reasonable in the circumstances of each case. I can't interfere with a firm's processes, systems or controls nor can I fine or punish a business. Those are considerations for the Financial Conduct Authority ('FCA'), as the regulator.

That means I can't interfere with Capital One's lending criteria or business decisions when it comes to offering (or declining) their customers a credit limit increase.

However, I can consider whether Capital One acted fairly towards Mr M when he engaged with them about increasing his credit limit.

In these circumstances I'd expect Capital One to give the main reason for their decision not to offer an increased credit limit to Mr M. I'd also expect Capital One to support and enable Mr M to pursue his financial objective of obtaining an increased credit limit in future.

I've noted that Mr M asked Capital One for a credit limit increase in addition to questioning why he hadn't already been offered one. In response Capital One didn't process a formal application for a credit limit increase, which I think was fair given they didn't consider Mr M would be eligible for this at the time.

I've read Capital One's letters to Mr M in October 2024 and November 2024. I can see that Capital One said they hadn't offered a credit limit increase because Mr M hadn't met their criteria for this based on a review of his account and information from the credit reference agencies. Capital One said Mr M was more likely to be offered an increase if he paid on time, hadn't gone over his limit, and didn't have a lot of debt utilisation.

I appreciate this wasn't the granular detail Mr M would have found useful, and I also recognise it can be upsetting to not know the exact reasons for a decision like this. However I think Capital One gave a sufficient reason for not offering Mr M a credit limit increase. I wouldn't expect Capital One to go into specific details here, given their lending criteria is commercially sensitive.

I think Capital One gave Mr M relevant information about what they'd typically consider, so Mr M could make an informed decision about applying to Capital One for a credit limit increase in future.

I was also pleased to see that Capital One directed Mr M to the main credit reference agencies so he could ensure his credit file is accurate and up to date, as this would be a positive step if he wished to apply for credit elsewhere.

Capital One said in their final response letter that they'd considered the way Mr M managed his account with them, but I acknowledge Mr M said he's concerned this doesn't extend to his ten-year account history.

I would typically expect some human consideration to be applied to an automated decision if it's been challenged. That's not to say a human should take the decision instead, rather that I'd expect someone at Capital One to be able to check nothing's gone wrong with their automatic process.

I'm satisfied from Capital One's response to this service's investigation that Capital One considered Mr M's account history and that nothing's gone wrong with their process here. I'm sorry this doesn't give Mr M the result he's looking for but I hope my impartial review offers him some reassurance.

Overall, I've not found Capital One have treated Mr M unfairly in these circumstances so I've decided not to uphold Mr M's complaint.

My final decision

For the reasons I've given, my decision is not to uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr M to accept or reject my decision before 16 June 2025.

Clare Burgess-Cade
Ombudsman