

The complaint

Mrs D complains that Capital One (Europe) Plc (Capital One) acted irresponsibly in granting her a credit card account, as she says it was unaffordable for her.

What happened

Mrs D took out a credit card with Capital One in February 2022. The initial credit limit was £200. The credit limit was increased to £800 in August 2022.

In 2024, Mrs D complained to Capital One regarding some transactions on the account. When she contacted our service, Mrs D said that the credit card account had been unaffordable for her. She explained that she'd been struggling with issues with problem gambling.

Capital One issued a final response letter in which it said it thought it had acted responsibly in granting the credit card and increasing its limit.

One of our Investigators considered Mrs D's complaint about the granting of the credit card, and the credit limit increase, and didn't uphold it. Mrs D disagreed with our Investigator's opinion, so the case comes to me to decide.

Miss D's complaint regarding some transactions on the account will be dealt with separately by our service.

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 considered the relevant rules and guidance on responsible lending set by the regulator, laid out in the consumer credit handbook (CONC). In summary, these say that before Capital One provided the account, it needed to complete reasonable and proportionate checks to satisfy itself that Mrs D would be able to repay the debt in a sustainable way, without borrowing further elsewhere. As this was an open-ended account, Capital One also needed to consider whether Mrs D would be able to repay the debt within a reasonable period.

Capital One has explained that prior to offering Mrs D the account, it considered the information she provided in the application and assessed information from credit reference agencies to determine whether or not to lend.

Granting of the credit card in February 2022

The application data shows that Mrs D declared her annual income was £27,000, or around £1,750 each month. She declared her monthly mortgage payment was £392. So, Mrs D had around £1,358 to service her existing credit commitments and cover her essential expenses

(such as groceries, utilities etc).

The information Capital One has provided from the credit reference agency showed that it found that Mrs D had no defaults or recent missed payments. It also showed that Mrs D had a revolving credit balance (from credit cards etc) of just under £7,400, and monthly payments towards unsecured loans of £556.

I don't think there was anything to indicate to Capital One that Mrs D was experiencing issues with problem gambling. Overall, given the relatively low initial credit limit of £200, I think that Capital One conducted proportionate checks and reasonably considered that the credit card would be sustainably affordable for Mrs D.

Credit limit increase in August 2022

Capital One has told us it considered information from a credit reference agency, and the conduct of the credit card account, before granting the credit limit increase in August 2022.

Mrs D had gone over her credit card limit shortly after taking it out, but since then had remained within the credit limit, making her payments on time and paying more than the minimum. The information from credit reference agencies showed no missed payments, and that Mrs D had reduced her other credit commitments to a balance of around £2,900.

Given the income Mrs D declared in the application, overall, I think that Capital One conducted proportionate checks and reasonably considered that the credit card would be sustainably affordable for Mrs D. I don't think there was anything to indicate to Capital One that Mrs D was experiencing issues with problem gambling. And, as I don't think Capital One needed to conduct further checks, I don't think it should have uncovered any further information to give it any concerns.

I've also considered Section 140A of the Consumer Credit Act. For the reasons I've already given, I don't think Capital One lent irresponsibly to Mrs D or otherwise treated her unfairly in relation to this matter. I haven't seen anything to suggest that Section 140A would, given the facts of this complaint, lead to a different outcome here.

My final decision

My final decision is that I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs D to accept or reject my decision before 30 September 2025.

Frances Young

Ombudsman