

The complaint

Mr S complains Curve UK Limited didn't make it clear enough that its Flex product required him to enter into a credit agreement.

What happened

Mr S was an existing Curve customer and held a Curve debit card. He explains that he received a notification in his app about Curve's Flex product, so he clicked on it to find out more information. Curve Flex is available to Curve customers that sign up for a Curve credit card. Curve Flex enables the user to split eligible purchases made using credit provided by Curve Credit into instalments.

Mr S says he was enrolled into Curve Flex without his knowledge or explicit consent. He explains that as soon as he realised it was a credit agreement, he tried to cancel it and go back to the debit card he'd previously held, but Curve didn't respond to his messages. Mr S made a complaint.

In its final response letter, Curve explained that its existing customer base would be encouraged to migrate to a Curve credit card as it offers customers additional protection under Section 75 of the Consumer Credit Act 1974. Curve said it ran a soft credit check to validate Mr S's eligibility for the product but it would only run a hard credit check if he borrows with the Curve Flex product. Curve said it could suspend the Curve Flex feature and reactivate it if Mr S changes his mind in future. It offered Mr S £20 compensation to recognise its support team had not responded.

Unhappy with Curve's position, Mr S referred the complaint to us. He said that he thought he'd cancelled the credit agreement, but the credit card is still showing as being linked to his account.

Curve told us it could only suspend the credit agreement and temporarily issue a debit card if Mr S signed a letter of consent. Mr S explained he didn't want a temporary suspension of the credit agreement and wasn't prepared to sign a letter he didn't agree with. He said he wanted the credit agreement to be cancelled outright because he didn't consent to it in the first place.

Our Investigator looked into the complaint and recommended that it should be upheld. He didn't think it was made clear that Mr S was entering into a credit agreement. He noted that Curve was unable to permanently put Mr S's account back to the way it had been, meaning that Mr S was going to lose access to his Curve debit card earlier than he might otherwise have done. He thought Curve should cancel the credit agreement without penalty and pay Mr S £200 compensation to recognise the distress and inconvenience he'd been caused.

Curve didn't agree and asked for an Ombudsman to consider the complaint. It referred to the information Mr S was provided with in its app and felt the mention of a higher credit line, along with the inclusion of a link to the pre-contractual information, was sufficient for Mr S to be aware that he was applying for a credit facility and would therefore be entering into a credit agreement.

Curve said that Curve Flex is a credit product, so a credit agreement must be in place to be able to offer Mr S the facility he'd applied for. It felt the transition to a credit card had not caused Mr S any quantifiable loss or adverse impact. Curve said Mr S needed to remain within the credit agreement to continue using its services regardless of whether he chooses to make use of the Flex facility. It recognised that it should have told Mr S this during the 14-day period when he requested to cancel the agreement. Curve confirmed that it would now cancel the credit agreement if Mr S wanted, but this would mean that Curve could no longer offer him any of its services.

As no agreement could be reached, the complaint was referred for an Ombudsman to decide.

My further investigation

When the complaint was referred to me, I had further questions for both sides.

I contacted Mr S to let him know that when Curve provided its complaint papers to us, it had proactively increased its offer of compensation from £20 to £50. I explained to Mr S that he needed to have the credit agreement to use Curve's services going forwards and asked him what he wanted to do.

Mr S responded to say he wants to cancel the credit agreement, and he understood this meant he would no longer be able to hold an account with Curve. He didn't wish to accept Curve's offer of £50 compensation, but he was broadly happy with how our Investigator had proposed resolving the complaint. He felt Curve had not been transparent and clear that it was onboarding customers into a credit agreement and he welcomed an Ombudsman's decision to clarify what the expectations are.

I contacted Curve and outlined that I had some concerns about the sales process. I didn't think providing a link to the pre-contractual information went far enough, especially as it looked like Mr S could move through this screen without accessing the link. I highlighted that Curve is required to give consumers the information they need, at the right time and presented in a way they can understand. I said that applying for a credit card is a commitment that a consumer should be properly informed about before proceeding. I noted that the words "credit card" were not included at any point in the screenshots Curve had provided. I also highlighted circumstances where customers may not want to have access to more credit on their credit report, such as consumers in bankruptcy and consumers applying for a mortgage.

I felt Mr S had unwittingly applied for a credit card and was then required to take further action to try and cancel it, which should have happened when he requested it during the cooling off period. I noted this resulted in a further period of Mr S and Curve being at cross purposes because it had not been explained why he was unable to revert back to the debit card. I said I disagreed with Curve's stance that Mr S hasn't been caused any adverse impact, pointing out that he'd been caused ongoing confusion, especially as the facility still hadn't been cancelled in line with his request.

Curve responded to say it wasn't reasonable for Mr S to have unwittingly or unintentionally applied for a credit card. It said a reasonable customer would consult the credit agreement and is expected to read terms and conditions before tapping a 'continue' button to be bound by it. It said that directly under the 'continue' button it is unambiguously set out that by tapping the button the customer is agreeing to the pre-contractual information and Terms of Service.

Curve outlined that it provided two links to Mr S during the customer journey, so it felt he had double the opportunity to see and read the terms. Curve said a reasonable person would have consulted at least one link, if not both, as they were literally one click away. It felt Mr S must take responsibility if he failed to view the links. It said that links in the app are embedded within the customer journey and don't require a customer to navigate to a different window or tab. It felt that Mr S had been provided with an "*effortless opportunity*" to see and read the relevant credit documentation, but he decided not to. It suggested that "*to hold an opposing view would entirely erode the consumer responsibility principle codified in primary legislation (FSMA) and render it utterly useless.*"

Curve explained that its credit card operates as "*a credit card based e-money product*" which is not comparable to a conventional credit card. It explained this is because the e-money that customers use to fund payment transactions on their Curve credit card is funded by one of their chosen funding cards in their Curve wallet, so in the vast majority of cases customers cannot have an unsettled debt on their Curve credit card.

Curve said that Mr S was capable and confident when managing his affairs, which was clearly demonstrated in his interactions throughout the complaints process. It felt Mr S must bear a higher degree of responsibility for his choices and decisions because he chose to ignore two prominent links to information, resulting in him entering into a contract where the terms did not align with his assumptions. Curve concluded by saying it considers a fair and reasonable outcome to be the £50 compensation it has offered to reflect the delays Mr S experienced with its customer experience team.

Both parties responded and provided the additional clarification requested, and on 29 October 2025, I issued a provisional decision explaining why I thought Curve had not done enough to make sure Mr S was fully aware that Curve Flex is a credit product and I agreed that Mr S had been caused distress and inconvenience as a result.

In my provisional decision I said:

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint.

Having done so, I am still of the view that the complaint should be upheld.

As I have outlined above, Curve Flex is available to customers that hold a Curve credit card.

The Curve credit card constitutes a regulated credit agreement and, as such, it should be sold and operated in accordance with rules and regulations. The content and formalities for regulated credit agreements are both complex and highly prescriptive. They are set out in the Consumer Credit Act 1974, in secondary legislation made under the Consumer Credit Act 1974, the Financial Services and Markets Act 2000 (Regulated Activities) Order 2001 (RAO) and in the FCA Consumer Credit sourcebook (CONC), which is found in the FCA Handbook. The FCA's Consumer Duty also applies to all regulated credit-related activities and requires financial services firms to act to deliver good outcomes for their customers. In deciding what's fair and reasonable, I am required to take into account relevant law and regulations, regulators' rules, guidance and standards, and codes of practice; and, where appropriate, I must also take into account what I consider to have been good industry practice at the time.

I consider that to comply with regulatory requirements and to treat Mr S fairly and reasonably, Curve is required to act in good faith and ensure that the options available to him are presented in a clear and fair way.

Both parties broadly agree that the disputed credit agreement came to be because of steps Mr S took when using Curve's app, potentially in response to a campaign that Curve ran to encourage its existing users to migrate to a credit card. So I have looked closely at the screenshots that Curve has provided as an indication of what Mr S would have likely seen at that time.

There are three screenshots. The in-app banner prompt in the first screenshot says "Switch to the new version of Curve Flex for for higher credit line, and new benefits such as Section 75 protection." [sic]

There is red text for the user to click to "Get Curve Flex". I think this could be read as inviting a customer to update an existing version to a new version, but from what I have seen, Mr S did not already have a Curve credit card or a Curve Flex facility. I'm also not persuaded that the phrase "credit line" should have resonated with Mr S. At the time he would have seen this information, Mr S only held a Curve debit card. Even if Mr S had some general awareness of what revolving credit is, I don't think he would have immediately appreciated the significance of its inclusion here. Mr S wasn't looking to apply for any new credit at that point in time. He's explained that he "received a notification in the Curve App indicating my eligibility for "Flex" and, upon clicking it, I intended to obtain more information."

The second screenshot says "Flex Easier, Shop Safer with Curve Flex. Switch to the latest version of Curve Flex which is easier to use and enjoy added security through Section 75 protection for your Curve Wallet."

The look and feel of the second screenshot is clean and uncluttered. Most of the screen is taken up by a simple image of a smartphone. There is a lot of blank space, but a red "Continue" button which stands out. Underneath the continue button it says "By tapping this button, I agree to the Pre-contractual information, and Curve's Terms of Service."

I don't consider this screen makes it clear enough that by continuing, it involves applying for a new line of credit. I can understand how Mr S did not appreciate that by continuing he was doing more than finding out information or upgrading to what he thought was the latest version of a product he already had. In addition, the benefit given for the upgrade is Section 75 protection, but this is a benefit obtained by holding a Curve credit card and not by applying for the Flex facility.

The third screenshot outlines that a new card is being created. It says “Welcome to a whole new Curve experience!” and confirms that it is creating a new Curve card with Section 75 protection and setting up Flex.

I’ve considered what Curve says about its sales process and the information it says was contained in the links embedded within its customer journey. But I don’t think this sufficiently demonstrates that it has made customers aware that they are entering into a regulated credit agreement. Curve hasn’t provided any evidence to show whether Mr S clicked on these links at the time or not. But even if he did, I still don’t consider that Curve did enough to present the benefits and risks properly and in an even-handed way. It should have made it clear that this was an application for a credit product prominently in the online sales journey.

The screenshots I’ve seen don’t make it clear exactly what Curve Flex is, or that a customer would not be able to keep an existing Curve debit card if they continued. There is a greater risk of customers like Mr S missing that they are applying for credit when they held a debit card already and were being encouraged to migrate and upgrade to “the latest version”. Mr S has explained that he used Curve primarily for convenience. He wanted to carry one card and to keep track of his expenses across multiple accounts. He says that he didn’t anticipate or expect that Curve had the potential to be a credit product.

The screenshots Curve have provided reference a higher credit line. But I don’t think this goes far enough to make it sufficiently clear that by continuing the process a customer is moving to a new product and making an irrevocable change to their existing debit card product. I consider Curve should have done more to highlight that Curve Flex is a credit product and that by proceeding the consumer is making a credit application. The choice architecture of the app does not do enough to draw this important information to the user’s attention. From what I have seen, it is possible for consumers to move through the application without accessing the pre-contractual information or the terms of service, which can lead to decisions that are rushed and not appropriately informed.

Curve’s credit card and the associated Curve Flex product is complex. Curve itself has said that it is not comparable to a conventional credit card. Against this backdrop, I don’t consider that Mr S was given all the information he needed about it at the right time. In my view, the information he was provided with was distorted and encouraged him to take out a new product without fully drawing his attention to the fact that it was a credit product with different features and benefits to the debit card product he already held. Curve needed to prominently disclose and adequately explain its product so that Mr S could understand and fully assess his options. The customer journey should have done more to outline that in order to have Curve Flex, you first need a Curve credit card, which involves entering into a credit agreement. I don’t agree that Curve presented what was happening in a clear and fair way.

If Curve had done more to make sure Mr S was fully aware that Curve Flex is a credit product and that he was first required to enter into a credit agreement for a Curve credit card, I think it is more likely than not that he would have aborted the application. His actions afterwards by wanting to cancel within the cooling off period are consistent with someone who did not want a credit agreement to begin with. He had a right to cancel the contract, and he tried to do so within the cancellation period. It is disappointing to see that Curve did not do more to ensure this request was fulfilled, especially as Mr S had given clear notice of his intent.

Curve has said it considers Mr S must bear a higher degree of responsibility for his choices and decisions. But consumers can only take responsibility where they are enabled and supported to make informed decisions. As I’ve set out, the screenshots of the sales process I’ve seen do not provide enough information for consumers like Mr S to understand Curve’s products and services. Mr S was not given the information he needed at the right time.

Without this information, it was difficult for Mr S to make an effective and properly informed decision about whether he really wanted this product. The FCA's consumer understanding outcome rules require firms like Curve to support their customers' understanding by communicating in a way which is clear, fair and not misleading so that customers can make decisions that are effective, timely and properly informed. I don't consider that Curve has done enough to create the right environment to support Mr S to pursue his financial objectives, resulting in a poor outcome for him.

I accept that Mr S hasn't lost out financially as a result of what's happened as he's been clear that he's never borrowed through Curve Flex. But he has been caused distress and inconvenience. Curve already accepts that its customer experience team didn't respond to him when it should have done. But Curve didn't cancel the credit agreement within the cooling off period like Mr S had asked. This was frustrating for him. In addition, he cannot cancel the credit agreement but continue to use Curve in the way he did before with the debit card, but this has only clearly been explained to him as a result of the involvement of this service. Taking everything into account, I consider Curve's actions have had a negative impact on Mr S and I think the £200 compensation recommended by our Investigator fairly reflects the distress that's been caused.

Curve has said that it only makes a hard credit search when the credit is actually utilised. Nonetheless, as I don't think Mr S would have entered into this credit agreement had he been given sufficient information at the outset, I don't think it fair for any trace of it to appear on his credit file. So I think Curve should remove any record of the agreement.

Putting things right

- *Curve should now cancel the agreement. Mr S accepts this will bring his relationship with Curve to an end. As Mr S has not used the credit facility, there should be nothing for him to pay.*
- *Remove any information about the account from Mr S's credit file*
- *Pay Mr S £200 to recognise the distress and inconvenience he's been caused*

Responses to my provisional decision

Mr S responded to say he was satisfied with my findings and proposed outcome and had nothing further to add. He suggested that the decision could provide valuable guidance for other affected consumers.

Curve responded to say that it was happy to accept the proposed outcome and will await confirmation that Mr S accepts before actioning it.

It pointed out that as Mr S did not borrow using Curve Flex, he was only subject to a soft credit search, so there was no impact on his credit file to be removed.

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 afresh, including the comments that have been said in response to my provisional findings, I've reached the same position as I did in my provisional decision and for the same reasons.

I'm still of the opinion that Curve did not do enough to make sure Mr S was fully aware that Curve Flex is a credit product and that he was first required to enter into a credit agreement for a Curve credit card. I am still persuaded that Mr S was caused some distress and inconvenience as a result of Curve's actions. As such, I see no reason to depart from the conclusions set out in my provisional decision and summarised above.

I have noted Curve's comments that there has been no impact to Mr S's credit file. I have nevertheless included removing any information in the redress for completeness. If Mr S checks his credit file and notices any information relating to this account, he should contact Curve in the first instance.

My final decision

For the reasons given, my final decision is that I uphold this complaint and I instruct Curve UK Limited to:

1. Cancel the agreement. Mr S accepts this will bring his relationship with Curve to an end. As Mr S has not used the credit facility, there should be nothing for him to pay.
2. Remove any information about the account from Mr S's credit file
3. Pay Mr S £200 to recognise the distress and inconvenience he's been caused

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

Claire Marsh
Ombudsman