

## The complaint

Mr G complains Capital One (Europe) plc treated him unfairly in relation to a credit card application he made. He says because of this, he's lost out financially and been put to a lot of trouble and upset.

## What happened

I issued a provisional decision on this complaint, setting out what I intended to decide and why. I invited both parties to let me have any further comments and evidence by the deadline, before I then finalised matters. Below is a copy of my provisional decision.

### Copy of provisional decision

#### ***What happened***

*On 27 September 2024, Mr G applied for a credit card with Capital One, after seeing it was offering 0%, on balance transfers, for 18 months. At the time, he received a notification to say his application had been approved with a credit limit of £3,000.*

*A few days later, Mr G missed a call from Capital One. He assumed it must be from its fraud team wanting to check if his application was genuine, as he'd had someone impersonate him before. However, when he called back, an agent said they couldn't see anyone had tried to contact him, but they were doing some final checks, so a decision should be with him soon.*

*Mr G contacted Capital One again when he didn't hear back, and an agent told him his application had been declined. Mr G couldn't understand why, as he'd been given a credit limit. He told the agent about what had happened when he'd called and said he wanted to know why the account had been closed without anyone speaking to him. The agent asked if he'd received a letter dated 3 October – Mr G said he hadn't.*

*This letter notified Mr G that Capital One had received information that suggested someone may have used his personal details to impersonate him and therefore it needed him to verbally confirm if he'd made the application for the credit card. It went on to say that if it didn't hear from him within 28 days, the application would be declined, and no further steps would be taken to process it.*

*Mr G raised a complaint; he said, not only had his call not been transferred to the fraud department when he'd called, but Capital One had declined the application despite its letter saying he had 28 days to contact it. He said it hadn't followed its own process, and he was concerned there was now a decline marker on his credit file, which he didn't think was fair in the circumstances. He wanted that removed from his credit file and his complaint properly investigated. He later also learned Capital One had loaded a marker at Cifas, a national fraud database.*

*Capital One didn't uphold the complaint. It explained that whilst the credit card was referred to as 'pre-approved', there is always a small chance that the application may be rejected following checks and information it may find. It submitted this was clear on its website. It also*

referred him to the letter it had sent about the 28 days and said it couldn't be responsible for that not reaching him, but that it had been sent by Royal Mail. Capital One added that where the application is taken to be fraud and declined, the decline is removed from the credit file, which is what it had arranged to do. But to conclude, it was satisfied it had followed its processes and there hadn't been a mistake.

Mr G didn't agree, and he referred his complaint to us. As well as setting out his cause for complaint, he described he'd lost out financially and personally because of this. He said,

*"because of the decline and cifax the other cards I have tried to move the balance too will not accept me. So, they have caused me financial loss and stress trying to sort this out. Not to mention not even being able to upgrade my phone which is most simple of things to get. They have severely messed up my credit report."*

One of our investigators reviewed the complaint but they didn't find any bank error. They were satisfied Capital One had acted fairly and reasonably in declining the application, as well as correctly reporting matters to Cifax, so they didn't think anything more needed to be done to resolve the complaint.

Mr G disagreed. He couldn't understand how the investigator could have reached this outcome. When an agreement couldn't be reached, the case was put forward for a decision, in line with our process.

#### Notes and further developments:

My role is to look at whether Capital One has treated Mr G fairly, and so for absolute clarity, this is what my decision will deal with.

Both parties also know that as part of my review, I've been gathering additional information to enable me to get to this stage.

Capital One contacted me and told me that it had taken another look at Mr G's application and what had happened. It said it believed an error had occurred with it and some information may have pulled through from an application that had been made earlier, in January 2024, which had triggered concern with Mr G's September 2024 application. It said it would be removing markers it had applied in connection with these applications and wanted to offer Mr G £200 for the inconvenience that had been caused by this.

Capital One said it would be willing to cover the additional interest Mr G had been paying if he could provide his statements to support this. I wrote out to Mr G asking him to provide as much information as he could to demonstrate the amount of £617.17. He said it would be burdensome to get hold of all the statements as he'd been managing several balances over several cards at the time and he'd had to use a specialised lender for consolidation. He believed what he'd given me already should support his position and he was grateful for the progress that had been made to get to this stage.

I am now ready to issue a decision.

#### **What I've provisionally 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.

It's clear Mr G feels strongly about his complaint. I have read and considered everything that he's provided. As an informal dispute resolution service, we are tasked with reaching a

*fair and reasonable conclusion with the minimum of formality. In doing so, it is not necessary for me to respond to every point made, but to concentrate on the salient points to reach a fair outcome.*

*Having done so, I'm not persuaded that Capital One has treated Mr G fairly. I'll explain why.*

*Mr G has said he's been the victim of impersonation fraud before and this ties in with him having markers from another bank since September 2023, and applications made to Capital One in October 2023 and January 2024 being treated as made by someone else.*

*I asked Capital One to explain why it declined the September 2024 application without speaking to Mr G, and it said there was a match with his mobile telephone number when looking at a previous application. It added that it also received a call on 2 October 2024 that a new claim of fraud had been received, so it held concerns about the live application. I wasn't persuaded Capital One had enough information to take the steps it had. Because when I asked it for a recording of the call it says it had received on 2 October, it couldn't locate it. It also was unable to give me any documented details of a new claim of impersonation fraud its notes indicated that it received. Capital One took another look at the complaint, as it noted it was odd it couldn't locate this information. It has now explained it thinks the notes from the January 2024 application may have imported over to the September 2024 application, which was an error. It said in view of this, it had deleted the markers it had recorded at Cifas (the decline having been previously deleted).*

*I've thought about this and a match with Mr G's details of course wouldn't be wholly unexpected if someone had his details before, which is why I'd expect a bank to make some further enquiries to satisfy itself of the true position in terms of the live application.*

*On this point, clearly Capital One had been trying to get hold of Mr G at the time to speak to him; he got a missed call (on 1 October 2024 at around midday). I know this as we've been given the call of him calling Capital One back and him mentioning the missed call. Capital One then also sent a letter on 3 October explaining that it needed to speak to him, to confirm whether the application it had received was genuinely from him. These attempts by Capital One to contact Mr G were reasonable given that he had a registration as a victim and it therefore had concerns about the current application. But it seems in view of the notes of a fraud claim, Capital One decided not to follow through with these attempts and declined the application. However, if it had engaged with him, which I think it ought reasonably to have done to check things, it would have established this application was genuinely from him and the trouble and upset that ensued could have been avoided along with the markers it loaded.*

*I've spoken to Capital One and it has recognised something went wrong at its end.*

*Where there are failings in how a business has handled things, as there has been here, we often tell the business to pay compensation, to recognise the impact the mistakes have had. Of course, it's not possible to undo what happened, but compensation helps by recognising that a business got something wrong and it had an unfair impact. It's also worth bearing in mind that we're here to resolve complaints, and not to punish or fine businesses.*

*Capital One offered Mr G £200 for any inconvenience caused (and I'll say more about this later) because of its actions, but he says his loss is much more and rejected the offer. In his complaint form, Mr G said he'd estimated he'd lost £617.17 in interest because of not being able to take up the Capital One card. I told Capital One about this and it said it would refund this amount but only on the production account statements to show the interest paid. I don't think that's unreasonable given it's a sizeable sum.*

*Mr G says it's difficult for him to obtain information auditing the interest on the £1500 as he*

*was handling several balances at the time trying to get these on preferential terms. He's also mentioned needing to go to a specialised lender due to the Cifas markers. I appreciate his explanation. But I must stress that ultimately it is incumbent on him to evidence his loss, as he'd be required to do if he went to court with his claim. I'm afraid, without specific evidence to show me where the balance went, I can't be satisfied he's paid interest on the amount and therefore there's been a loss. I have seen Mr G paid interest for the month of October 2024 to his old credit card provider<sup>1</sup> before paying off the balance. I'd like Capital One to consider reimbursing the amount of £32.79 to help bring the complaint to a resolution.*

*Moving on, I've thought about what Mr G has said about the impact on his credit file and his score dropping significantly at the time. I've no doubt that the decline would have had an initial impact, but it was removed soon afterwards. Mr G's credit report also suggests he was able to apply for at least two other credit cards later in October 2024, and while he thinks those applications are from before, they have start dates for the end of October, which I must have regard for. So overall, I think the impact was limited in terms of the Cifas marker and in any event, this shouldn't lead to an automatic decline for lending. Also, a credit score can also drop where there have been multiple applications for credit over a short space of time, which Mr G's credit file and testimony show to have been the case as he's mentioned handling several balances.*

*Mr G has clearly been through distress and inconvenience here. There was his initial upset when he was declined for the card. His frustration was exacerbated by the response Capital One gave on the complaint. In addition to this, there's also been a degree of inconvenience in Mr G having to pursue this matter to the extent he has, and he's talked about the toll this has taken over the course of the year. All things considered, I've assessed £400 fairly recognises the impact, which I intend to require Capital One to pay. I think this and the £32.79 would be a fair way to resolve this complaint.*

### **My provisional decision**

*My provisional decision is that I uphold this complaint and require Capital One (Europe) plc to pay Mr G £32.79 and £400 to settle this complaint.*

### Responses

In summary, Mr G initially responded to say,

- He appreciated the care, diligence and professionalism I'd shown throughout his case. My review had given him clarity and reassurance that there'd be a fair conclusion.
- He was committed to supporting a resolution but felt the onus on him to demonstrate his loss through an audit of statements and other documents was an unreasonable burden, when Capital One had been found to have made a mistake with his application.
- There was a direct link between what Capital One had done and him losing out financially on interest he'd been charged, and this was the case, without the additional evidence being sought.
- He'd previously provided details of how he'd lost out.
- He'd had declined applications that were attributable to the Cifas markers rather than his credit worthiness.
- Capital One had never confirmed in writing that the Cifas markers would be removed. This was an important point in determining fairness.

---

<sup>1</sup> Balance with previous credit card provider was eventually paid off on 31 October 2024. Mr G paid £32.79 in interest in October. The relevant statements will be sent to Capital One with this decision.

I said, I couldn't reasonably award for lost interest, not without evidence of it. I explained that self-evidently, that interest couldn't be the cost applicable to his old credit card provider, as the balance was repaid. I set out why information previously wasn't satisfactory and what I'd need to see instead.

Mr G responded with some further comments and evidence. In summary, he said, that he'd located a letter from another credit card provider where a similar situation had occurred to that of Capital One, but the difference was that they'd approved the application following a direct conversation with him and completing a verification process. This showed Capital One's mistakes affected his access to credit and the impact on him went beyond what I'd stated. He referred to another letter involving Capital One where it had refused to remove the Cifas loadings. He said this contradicted statements that these had been removed immediately. He submitted that the inconsistency raised serious concerns about Capital One's reliability.

Mr G also said evidential requirements on Capital One as a regulated firm must be akin to what's needed by a court, and if it couldn't meet relevant thresholds, it's information couldn't be relied upon.

He said, Capital One had refused a Data Subject Request (DSAR) he'd made, which he was willing to take to the Information Commissioner. He instructed it provide specific records and said that if any of these items couldn't be provided, Capital One should explain why, so that the Ombudsman could identify the legal grounds for non-disclosure and provide an index of withheld materials.

He also referenced referring matters to the Independent Assessor for the Financial Ombudsman.

Mr G maintained it was disproportionate to expect him to provide an audit of multiple accounts to evidence his loss and hoped that I would be able to *"reassess Capital One to the same level of disclosure, with a full and accurate view of the inconsistencies and systemic failures admitted and evidenced to this point"*.

He submitted documents for me to review.

Capital One confirmed that the entries referenced in my decision had been removed and were no longer showing when it had recently checked. It said it can take up to eight weeks to update on a credit file but had no control over that. It didn't have anything else to add.

The case was passed back to me after the deadline for responses had passed.

### **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.

Mr G has strong feelings about several aspects of his complaint, and I can understand why, given the mistakes that were identified. He has clear ideas about how businesses should operate, and indeed about how we should go about investigating his complaint. In light of certain of his comments, before setting out my findings I think it's appropriate that I explain a little more about our role. In broad terms, we receive complaints about the organisations we cover, consider them, and express our views on how the organisation in question has acted. Where appropriate, we may set out what we think the organisation needs to do to resolve matters. But we're independent and impartial, and we don't take instructions - from either party - when we're looking at a complaint.

I'm unable to comment on the Independent Assessor process. That's separate from my review of Capital One's actions.

I'm going to address what I consider are the salient points to reach a fair outcome.

At this stage, the process of resolution is to narrow down the outstanding issues rather than to increase the scope. I've thought about what Mr G has said but I'm not going to look further into some of the points he's raised in his latest correspondence. I don't consider it necessary to reach a fair and reasonable resolution to his complaint. I say this because as my consideration of the complaint progressed, Capital One accepted it made a mistake in how it handled the application. I also concluded its actions weren't good enough. And I don't think any further analysis or retrieval of information he seeks changes things.

Capital One has told us that the Cifas entries referred to in my decision have been deleted and aren't showing. Mr G has this information here, so I won't be investigating or commenting on this further. This is part and parcel of what I consider a fair resolution on this case.

During my review, I set out how Mr G could evidence he'd paid additional interest, and show this was a loss to him. I also explained why this wasn't an unreasonable or onerous thing for him to do. This is still my view. I made it clear that absent this, I couldn't reasonably require Capital One to compensate him for his interest claim and could only award for his distress and/or inconvenience. I've reviewed the information Mr G has provided, but he's not provided what I asked for. Given this, I make no award for the interest (beyond the amount below).

In terms of how other lenders approached applications from Mr G due to Cifas markers, I maintain any impact should be limited as new providers should be checking the accuracy of the data with the customer. And credit scores can also drop where there have been multiple requests for credit, and Mr G was handling several balances.

Turning to Mr G's distress and inconvenience, I have accepted he's been through trouble and upset because of how the application was handled and the responses being poor. I also acknowledged that these difficulties were compounded with him having to pursue the complaint. Capital One hasn't come back and argued against this, and I've not seen anything compelling to change my mind on the overall figure. All things considered, I adopt my provisional decision as part of this final decision and am satisfied £400 fairly recognises the impact, which Capital One will need to pay<sup>2</sup>. I think this and the payment of £32.79 is a fair way to resolve this complaint. I'll leave it up to Mr G to decide if he wishes to accept things or not. But this decision completes my review of the complaint against Capital One.

### **My final decision**

My final decision is that I uphold this complaint and require Capital One (Europe) plc to pay Mr G £32.79 and £400 to settle this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr G to accept or reject my decision before 2 January 2026.

---

<sup>2</sup> If Mr G accepts this decision. If he doesn't accept the decision, it won't be binding on Mr G and he will be free to pursue this matter against Capital One through alternative means, outside of our service.

Sarita Taylor  
**Ombudsman**