

The complaint

Mr L complains that Capital One (Europe) plc provided him with unaffordable credit cards.

What happened

Capital One provided Mr L with two credit cards, details of which are provided in the table below:

Account	Date	Event	Credit limit
Credit card one	May 2014	Original limit	£500
Credit card one	January 2015	Credit limit increase	£750
Credit card two	October 2014	Original limit	£1,000
Credit card two	November 2015	Credit limit increase	£1,250

Both account balances were repaid in May 2018 and the accounts were closed in Sept 2020.

Mr L complained to Capital One in November 2024 about unaffordable lending. He said had Capital One completed proportionate checks before providing these credit cards and credit limit increases that it should have identified he was already experiencing financial difficulties, and that this credit would be unaffordable for him.

Capital One issued a final response in January 2025 in which it didn't uphold Mr L's complaint. In summary, it said its checks before each lending event were proportionate, and that it had fairly provided Mr L with the credit limits. It also set out that it considered Mr L's complaint had been made outside of the regulatory timescales for complaining, given the dates of the lending events.

Unhappy with Capital One's response Mr L referred his complaint to our service. One of our investigators looked at the details of this complaint and considered it was reasonable to interpret it to be about the fairness of Mr L's relationship with Capital One. As such they went on to review the details of the complaint on this basis. Having done so, they didn't consider Capital One had acted unfairly or unreasonably in its lending decisions, or in any other way in relation to Mr L's accounts. So, they didn't uphold the complaint.

Capital One didn't respond to our investigator's view; Mr L responded and disagreed. He provided further information and evidence about his finances, and in summary said:

- Capital One didn't make fair lending decisions when providing these credit limits.
- He was in significant financial difficulty at the time of these lending events, his credit score was extremely low, and he had outstanding debts.
- He was also subject to court proceedings relating to his financial situation.
- He draws parallels between this case and another which was upheld by our service about a different credit card provider.

Mr L asked for an ombudsman's review, so the complaint has been passed to me to decide.

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.

The information in this case is well known to Mr L and Capital One, so I don't intend to repeat it in detail here. I acknowledge the detailed submissions Mr L has provided in support of his complaint, both pre and post our investigator's view. I would like to start by saying I am sorry to hear of the sensitive personal and financial circumstances Mr L has made us aware of. I'd like to assure both Mr L and Capital One that I've carefully reviewed everything available to me; however, because I've focused my decision on what I consider to be the key points of this complaint, I haven't commented on every point. I don't mean to be discourteous to both parties by taking this approach, but this simply reflects the informal nature of our service.

Initially I think it's helpful for me to set out that there are time limits for bringing a complaint to our service, and Capital One has said this complaint was referred to us late. Our investigator set out within their view why they didn't think we could look at a complaint about the lending events Capital One made as they all took place more than six years before the complaint was made.

But they also went on to explain why it was reasonable to interpret Mr L's complaint as being about an unfair relationship as described in section 140A of the Consumer Credit Act 1974 (s.140); and why they therefore considered Mr L's complaint about an allegedly unfair lending relationship had been made to us in time.

I don't intend to go into the detail our investigator has already set out within my decision here, but for the avoidance of doubt I agree with our investigator that I have the power to look at Mr L's complaint on this basis. I say this because I'm satisfied Mr L's complaint is that Capital One provided him with unaffordable lending, which potentially created an unfairness in the relationship.

The provision of these two credit cards and the credit limit increases may have made the relationship unfair, as Mr L may have paid more in interest and charges than he could afford. I acknowledge Capital One doesn't agree we can look at any events which took place more than six years before Mr L's complaint was made, but as I'm not upholding this complaint, I won't be commenting on this further.

In deciding what's fair and reasonable I'm required to take into account, amongst other matters, relevant law. As I consider Mr L's complaint is about the fairness of his relationship with Capital One, relevant law in this case includes s.140A-C of the CCA.

S.140A says a court may make an order under s.140B if it determines that the relationship between the creditor (Capital One) and the debtor (Mr L), arising out of a credit agreement is unfair to the debtor because of one or more of the following, having regard to all matters it thinks relevant:

- any of the terms of the agreement.
- the way in which the creditor has exercised or enforced any of his rights under the agreement.
- any other thing done or not done by or on behalf of the creditor.

Case law shows that a court assesses whether a relationship is unfair at the date of the hearing, or if the credit relationship ended before then, at the date it ended. That assessment has to be performed having regard to the whole history of the relationship. Capital One has confirmed the relationship ended in 2020, so within six years of Mr L making this complaint.

S.140B sets out the types of orders a court can make where a credit relationship is found to be unfair – these are wide powers, including reducing the amount owed or requiring a refund, or to do or not do any particular thing.

Given the details of Mr L's complaint, I need to consider whether Capital One's decision to lend to him, or any other actions it may have taken, created an unfairness in the relationship between him and Capital One; and if it did, whether Capital One took reasonable steps to remove that unfairness.

We've set out our approach to complaints about irresponsible and unaffordable lending as well as the key rules, regulations and what we consider to be good industry practice on our website. I've followed this approach when considering Mr L's complaint.

Having considered everything, I'm not upholding Mr L's complaint as I've decided each of the credit limits approved across the two cards were provided fairly. I say this because:

- I think the checks Capital One completed before providing the credit limits were reasonable and proportionate, given the level of credit being provided and the information it obtained to reasonably understand Mr L's financial situation.
- For each lending event Capital obtained details of Mr L's income, used industry recognised statistical data to reasonably calculate his non-discretionary expenditure, and completed a credit check to understand his existing commitment to – and management of – credit.
- The checks show Mr L was maintaining his existing credit well, and had a reasonable level of discretionary income each month after regular deductions and repayment to these new credit limits were taken into account. I therefore consider Capital One reasonably concluded each of these credit limits would be sustainably affordable.
- Mr L has provided us with information by way of letters from lenders and debt management/collection companies, which he says evidence his poor financial situation and financial difficulties leading up to these lending events.
- I've carefully reviewed the information Mr L has provided. I note that most of the evidence is dated from 2007 to 2009, at least around five years before Capital One's first lending decision. As such, I consider Capital One would reasonably have considered this information historic, were it aware of it, and not representative of Mr L's financial situation at the point of these lending events.
- I also note that some of the information appears to relate to debt owed in a different country, which, on balance, I don't consider would have been visible to Capital One through its checks.
- Mr L has also provided letters from debt companies dated in 2011 and 2013, as well as emails from a short term loan provider dated from 2012 and 2013. However, all of these documents are addressed to Mr L's partner; so, I don't consider, based on this evidence, that Capital One ought reasonably to have identified these debts and

previous lending through proportionate checks.

I acknowledge that Mr L's actual financial situation may well have been different to that which Capital One's checks identified before each of these lending events; however for the reasons I've set out above, I consider Capital One's checks were proportionate and that it went on to make fair lending decisions when providing Mr L with these credit limits.

I've also 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, or otherwise treated Mr L 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.

Mr L has drawn parallels between this complaint and another that was upheld by our service about another lender. I would set out that each complaint is considered on its individual details. So, while I understand why Mr L will have drawn parallels between the complaints, my decision here is reached taking into account the specific details relevant to this complaint.

I acknowledge my decision will be disappointing to Mr L. It's clear how strongly he believes Capital One has acted unfairly in its actions relating to the provision of these credit cards. As I've set out above, I am sorry to hear of the sensitive personal and financial circumstances Mr L has made us aware of; my decision here is in no way intended to downplay these circumstances, or the financial position Mr L was, and is, in. But for the reasons I've set out above I don't uphold this complaint and therefore I'm not directing Capital One to take any further action.

My final decision

My final decision is that I don't uphold Mr L's complaint about Capital One (Europe) plc.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr L to accept or reject my decision before 25 February 2026.

Richard Turner
Ombudsman