

The complaint

Mr K complains that Capital One (Europe) Plc won't provide him with a full refund in relation to a credit card payment he says he made as a result of a scam. He is also unhappy with information they've reported to credit reference agencies (CRA's).

What happened

The detailed background to this complaint is well known to both parties. So, I'll only provide an overview of some of the key events here. In November 2023 Mr K made a payment using his Capital One credit card. The payment was for £1,244.84 and went to a merchant I'll refer to as 'D'. Mr K says he was told to make this payment as part of an investment he believed he was making with a different company 'F'. He says he found this opportunity online and was encouraged in part because it appeared to be endorsed by a celebrity.

He says he later discovered that this was a scam and he never received any returns from his investment nor the return of his initial payment. Mr K reported the alleged scam to Capital One. They responded to say they couldn't provide a refund. Mr K complained and Capital One maintained their position about a refund, but they did apologise that some of their service should've been better, they also said they would reimburse one 'late fee' that had been applied to the account. Mr K remained unhappy and referred the matter to our service.

One of our Investigators recommended that the complaint should be upheld in part. She pointed out that Capital One had had a phone call with Mr K prior to processing his payment. In this call she says they verified it was Mr K making the payment but didn't do more. She thought they ought to have asked more questions and had they done so, warnings about F would've come to light and Mr K wouldn't have continued with the payment. But she thought Mr K too should bear some responsibility for his own loss due to contributory negligence and so she reduced her intended award by 50% for that reason.

Capital One accepted the outcome and later made a credit to Mr K's account. Mr K believes he should still get a full refund and he re-iterated that he didn't think a default applied to his credit file by Capital One was fair. Another of our Investigators said that the default wasn't solely due to the disputed payment. As the matter couldn't be resolved, the complaint was passed to me to decide.

In November 2025 I issued a provisional decision in which 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 don't think Capital One need to do anything further to resolve this complaint albeit for different reasons to those that have already been explained. I know this will be disappointing for Mr K, so I'll explain why.

Mr K has made some detailed submissions in support of his complaint. I've read and considered all he's sent in, but I don't intend to respond in similar detail. So if I don't mention a particular point or piece of evidence, it isn't because I haven't seen or thought about it. It's

just that I don't feel I need to reference it to explain my decision. This isn't intended as a discourtesy and is just a reflection of the informal nature of our service.

Should Capital One have done more in relation to Mr K's payment instruction?

I think it's most likely that Mr K instructed the payment in question himself and that it was correctly authenticated by Capital One. So the starting point is that Mr K would normally be responsible for payments he's authorised himself. But, Capital One should also be alert to the possibility of fraud, scams and the misappropriation of funds and should fairly do what they can to protect their customers from the risks of the same.

Clearly, there is a balance to be struck between stopping and checking payments and allowing customers ready access to the available credit on their accounts. I think it's fair that there is a degree of proportionality as to what can fairly be expected with regards to when to intervene and to the extent of any given intervention.

Firstly, Capital One aren't expected to provide investment advice nor to intervene in legitimate payments. And I'm not persuaded that Mr K was indeed the victim of a scam here. I say this because Mr K has provided evidence of the agreement between him and F (and whilst it is signed and dated a few days after the payment in dispute, it is clearly still of relevance to what would be expected between the parties). On each page of the agreement is a warning which states that:

"The financial market and it's leveraged products are complex instruments that come with a high risk of potentially losing capital. More than 73% of trading accounts lose investments when using leveraged products. You should not invest more than you are prepared to lose... By using the services of [F] you affirm your agreement with the terms and conditions and accept all the risks involved."

It would be unusual for a scammer, looking to entice victims into parting with their money to paint such an apparently honest and high-risk picture of their services. Commonly high returns are promised against little to no risk to encourage victims. The agreement between Mr K and F also sets out that their offering involves 'Contracts for Difference' CFD's and requires certain volumes of 'trades'. These are a high-risk form of investment.

I'm aware of the warning published in February 2023 by the Financial Conduct Authority (FCA) about F and I've taken that into account. But this doesn't say that F were operating a scam, just that they were offering their services to UK customers when they weren't authorised by the FCA to do so. Just because an investment opportunity might be very high risk, and not something the FCA would allow, doesn't mean that it was a scam.

I'm also aware of online reviews suggesting that F were operating a scam. But particularly with reference to high-risk investments where the majority of people lose money (as set out in the warning on the agreement), it's not unusual for many people who've lost money to consider it to be a scam rather than a high-risk investment that didn't work out as they'd hoped. As such, the online reviews don't persuade me that F more likely than not scammed Mr K.

So if there was no scam to protect against, then there was no basis upon which I could fairly expect Capital One to have intervened. But even if I were wrong on that point, I still don't think it would make a difference to the outcome of this complaint for the reasons I'll come to below.

Even if I were to accept that Mr K's payment was lost to a scam (which for clarity I don't) In the circumstances here, Capital One blocked Mr K's payment and spoke to him on the

phone. I've listened to this call and Capital One's agent just confirmed that Mr K had genuinely made the payment instruction. He was then told his card was unblocked and if he made the payment again, it would go through. This call would've mitigated the risk that Mr K's card details had potentially been compromised in some way and that someone else was instructing a payment on his account. But it didn't do anything to mitigate the risk that he might be in the process of being scammed.

As I've mentioned above, there needs to be a level of proportionality as to what can fairly be expected when a business intervenes in payments. And in this case, I don't think I could fairly say that Capital One needed to go further than they did. It isn't particularly unusual for people to use credit cards for one off payments that might be greater than their usual expenditure. I don't think there was anything about the payment that was so unusual, suspicious or so indicative of a potential fraud or scam such that it was unreasonable for Capital One not to have done more than they did. In the circumstances of this complaint the fact that they took steps to verify the instruction came from Mr K himself, doesn't change my mind on this point. I would consider that to be a proportionate response to the risk the payment presented.

So, I don't think they were required to take the additional steps our Investigator suggested and which she thought would've uncovered the alleged scam. The impact of this is that I don't think Capital One are responsible for Mr K's loss on the basis that they should've done more before processing his payment instruction.

Could Capital One have done more to try to recover Mr K's payment once he'd reported it as a scam?

The only potential avenue for recovery of a credit card payment would've been either the chargeback scheme or a claim under Section 75 of the Consumer Credit Act 1974 (s75). Although ultimately intended for F, Mr K's payment went to D. D seem to be a platform that offers a payment solution to their customers. Their website indicates that they enable their users to accept payment for their services through their platform. They appear to be a legitimate company that it seems F have used to accept payments. I think its more likely than not that D would've been able to evidence they'd done what was expected of them (namely passing Mr K's payment on to their own customer). As such, I don't think there was a realistic prospect of a chargeback succeeding. So I can't fairly say it was unreasonable for Capital One not to pursue a chargeback. I similarly don't think Mr K would've had a valid claim under S75 as I don't think the conditions for such a claim were present.

Should Capital One do anything differently in relation to their reporting to the CRA's?

The evidence I've seen supports that Mr K had an outstanding balance on his credit card that wasn't made up solely of his payment to F. And that he failed to maintain his contractual obligations to make the minimum payment. Even if I were directing that a refund should be provided, I'd still expect someone to mitigate the impact on themselves where this is possible. But in any case, I don't think Capital One acted unfairly, they are required to report accurately to the CRA's and it was Mr K's decision not to make the payments he did which included a balance made up of payments that weren't solely to F. As such, I can't say he's been treated unfairly in this regard.

Overall, having considered all the available evidence and arguments in this complaint, I don't think there is a reasonable basis upon which I can fairly require Capital One to do more."

Neither Mr K nor Capital One provided a response to my provisional decision.

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.

As neither party had any additional comments or evidence for my consideration, I see no reason to deviate from the outcome explained in my provisional decision.

My final decision

For the reasons outlined above, my final decision is that I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr K to accept or reject my decision before 27 January 2026.

Richard Annandale
Ombudsman