

## **The complaint**

Capital One (Europe) plc provided Miss S with a credit card in April 2022. It had a credit limit of £500, and this increased to £750 in February 2023. Miss S says the credit was provided irresponsibly.

## **What happened**

The details of this complaint are well-known to both parties, so I won't repeat them again here. The facts aren't in dispute, so I'll focus on giving the reasons for my 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.

We've set out our general approach to complaints about unaffordable or irresponsible lending on our website, and I've taken this into account in deciding Miss S' case.

I've decided the credit was provided fairly because:

- I think the checks Capital One did before providing the credit were reasonable and proportionate given the credit limits it offered and what it knew about Miss S' financial situation at the time of each lending decision.
- Capital One's checks showed that Miss S didn't have a significant amount of other credit at the time of either lending decision. Miss S had used most of a low credit limit on another credit account at the time of the first lending decision. At the time of the second lending decision, her level of credit had increased. However, she wasn't over indebted at either point and was managing her existing credit well. There was also no other adverse data recorded against Miss S on her credit file. So, there were no signs of financial difficulty or over indebtedness that indicated the lending was unaffordable or unsustainable.
- At the initial point of lending Capital One verified Miss S' income and based on this information it used a lower figure than that declared by Miss S in its calculations. Miss S didn't declare any housing costs as she was living with parents and Capital One used estimates from national statistics to calculate her other essential expenditure. This is an approach it's allowed to take under the regulations. It was found from these calculations that Miss S had enough disposable income to sustainably afford the lending.
- When the limit was increased Capital One completed similar income and expenditure checks and although Miss S now had more credit, this was still a relatively low amount and was well maintained. It also checked her management of the credit limit she already had on the credit card, and didn't find anything that suggested Miss S was unable to sustainably manage the account. Miss S did exceed her credit limit once but brought the account back in line quickly and I don't think this alone indicates

that the account wasn't sustainable or affordable.

- Based on the information available and what Capital One knew about Miss S' circumstances, I'm not persuaded there was anything to suggest Miss S was unlikely to be able to sustainably repay what she was being lent or that Capital One needed to do further checks to establish affordability.
- Having reviewed all the evidence, I'm not satisfied Capital One acted unfairly in lending to Miss S or in any other way.

This means I'm not persuaded Capital One did anything wrong when it provided the credit card to Miss S or when it increased the limit.

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 to Miss S or otherwise treated her 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.

I know this isn't the outcome Miss S hoped for. But for the reasons above, I'm not asking Capital One to do anything to put things right.

### **My final decision**

My final decision is that I'm not upholding Miss S' complaint about Capital One.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss S to accept or reject my decision before 20 March 2026.

Charlotte Roberts  
**Ombudsman**