

The complaint

Miss S complains that Capital One (Europe) plc, lent to her irresponsibly when they provided her with a credit card in 2021.

What happened

In April 2021, Miss S was provided with a credit card by Capital One, with a credit limit of £500. There were no later credit limit increases.

In 2025, Miss S complained to Capital One. In summary, she said they had irresponsibly lent to her and that sufficient checks – to ensure her affordability status – hadn't been undertaken.

Capital One didn't uphold the complaint. They said, in summary, that they had carried out checks proportionate to the amount being lent; those checks hadn't revealed any concerns, and on that basis, the credit card had been provided. So, they were satisfied they had lent responsibly.

Miss S disagreed, she still thought that Capital One were wrong to have lent to her. So, she referred her complaint to this Service for independent review.

An Investigator here considered what had happened; having done so, he didn't think Capital One had done anything wrong. In short, the Investigator said:

- The checks carried out by Capital One were proportionate in the circumstances.
- The information gathered as a result of those checks wouldn't have given Capital One any cause for concern. And there was nothing that would have suggested to Capital One that Miss S was struggling financially and/or wouldn't be able to afford the repayments towards the card.
- Any financial struggles, which did materialise for Miss S later, wouldn't have been apparent to Capital One at the time the credit was provided.
- Overall, with that in mind, Capital One hadn't acted unfairly or unreasonably in providing Miss S with this credit.

Miss S disagreed; she maintained that she'd been irresponsibly lent to by Capital One. So, as no agreement has been reached, Miss S's complaint has now 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.

Having done so, while this will no doubt disappoint Miss S, I agree with the findings of our Investigator for broadly the same reasons. I'll explain why.

The rules and regulations in place at the time Miss S was provided with the credit, required Capital One to carry out reasonable and proportionate checks. That's to determine whether she could afford to repay what she owed in a sustainable manner. This practice is sometimes referred to as an 'affordability assessment' or 'affordability check'.

The checks had to be borrower focussed; that is, relevant to Miss S. So, Capital One had to think about whether repaying the credit sustainably would cause her difficulties, or other adverse consequences. In other words, Capital One had to consider the impact of any repayments on Miss S.

Checks also had to be 'proportionate' to the specific circumstances of the lending. In general, what constitutes a proportionate affordability check will be dependent on a number of factors including – but not limited to – the particular circumstances of the consumer (e.g: their financial history, current situation and outlook, any indications of vulnerability or financial difficulty) and the amount/type/cost of credit they were seeking. I've kept all of this in mind when thinking about whether Capital One did what they needed to before agreeing to lend to Miss S.

Here, before agreeing to lend, Capital one checked data recorded with Credit Reference Agencies ("CRAs"); they relied upon information provided by Miss S in her application, and they carried out an affordability assessment. I've been provided the results of Capital One's checks, and, in my view, the data they gathered didn't point to any real cause for concern.

Rather, information obtained from CRAs showed no recent defaults or County Court Judgments ("CCJs"); nor was Miss S subject to an Individual Voluntary Arrangement ("IVA").

At the time of the initial application, Capital One recorded - based on information Miss S declared - housing costs of £209. And from the credit check they ran, they noted around £25,000 in outstanding credit commitments; around £11,000 of which, was for a hire purchase agreement - with total monthly credit repayments totalling a little over £500. They noted that Miss S was earning around £20,000 a year, with a household income of approximately £44,000. They also took steps to calculate Miss S's other outgoings, using data they obtained from the 'Office of National Statistics' (ONS) to estimate her non-discretionary spending – covering items such as food, clothing and utilities.

Based on the information they obtained, Capital One concluded that Miss S had sufficient disposable income of around £500 a month that she could access, in order to maintain the repayments on the card. And there was nothing else to suggest to Capital One, that Miss S wouldn't be able to sustainably repay the credit provided here.

I've thought about the fact that in addition to the credit above, the credit check Capital One ran, also showed an outstanding mortgage of £138,000. And I've considered that the housing costs Miss S declared in relation to this - £209 - appear particularly low. But I've also taken into account that Miss S's household income was significantly more than the personal income she had declared, so it was likely there was someone living in the household that could quite feasibly be contributing to the mortgage costs.

It's possible, given the above, that Capital One should've done more here to question the figures provided by Miss S, given what appears to be some disparity between the mortgage balance showing, and Miss S's declared housing expenditure. But given Miss S had already been asked this question when she applied and wanted to obtain the credit in question, I have nothing tangible to persuade me it's more likely than not that Miss S would've provided

materially different information to that in her application. And, when considering both Miss S's credit repayment history, and the relatively low limit being provided, I don't think it would have been necessary for Capital One's checks to go further here, and I think it reasonable for them to have relied on Miss S's declaration in the circumstances.

So, keeping in mind the monthly repayments required to clear the balance of the credit card provided (if Miss S utilised the full credit limit); and, given that neither the CRA data, nor application or affordability data, raised any immediate concerns; I think the checks undertaken by Capital One before lending to Miss S were proportionate, and the information they gathered suggested that the card provided – with a limit of £500 - was likely to be affordable for her. So, I wouldn't have expected Capital One to do any further checks or verification in these circumstances, particularly given the level of borrowing.

I'm sorry to disappoint Miss S, I know this won't be the outcome that she's hoping for, and I certainly don't mean to downplay the impact she's said this matter has had on her. But it's for the reasons I've explained that I don't think Capital One acted unfairly or unreasonably when they provided her with this credit card. So, it follows that I'm not upholding this complaint.

Separately, whilst I'm not upholding the complaint, I do want to remind Capital One of their obligations to exercise forbearance moving forward. I would certainly encourage Miss S to keep in regular contact with Capital One about any difficulties she's now facing in maintaining any outstanding repayments that may be owed.

Finally, I've also considered whether the relationship might have been unfair under Section 140A (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 in relation to this matter. I haven't seen anything to suggest that s.140A would, given the facts of this complaint, lead to a different outcome here.

My final decision

My final decision is that I do not uphold Miss S's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss S to accept or reject my decision before 8 May 2026.

Brad McIlquham
Ombudsman