

## **complaint**

Mr B complains that Capital One (Europe) plc wrongly left a high credit limit on his credit card account when he was no longer using it and paying off the outstanding balance. He says that this prevented him from getting credit facilities and lower rate borrowing elsewhere. He wants compensation for his financial loss.

## **background**

Several years ago Capital One wrote to Mr B giving him the option of continuing to use his credit card, at a higher interest rate, or keeping the existing rate if he stopped using the card and cleared the outstanding balance by making the usual monthly repayments. Mr B chose the latter, and has not used his account since. The balance was then steadily reduced by monthly repayments. However, Capital One left the limit on the account at £25,000, rather than reducing it to reflect the lower balance outstanding.

Mr B says that by not reducing the card limit it has given misleading information to the credit reference agencies. This has affected his ability to borrow money elsewhere. He says that this has also meant that he has paid higher interest on his existing borrowing and that he has suffered a financial loss as a result. He further says he asked Capital One to reduce the limit a number of times but it did not do so until recently.

Capital One says that it will only reduce the limit if requested by the customer to do so, even if the card account is on run-off. It says that it only recently received a request for this from Mr B.

Our adjudicator did not recommend that the complaint should be upheld. She concluded, in summary, that it could not be proved that the only reason for Mr B's difficulty in obtaining credit elsewhere was the Capital One limit. Mr B had also only been able to provide evidence of one credit application being turned down. She further noted that there was nothing in Capital One's records to show it had received any previous request to reduce the limit.

Mr B does not accept the adjudicator's conclusions. He says, in summary, that Capital One is at least partly to blame for the declined applications. He is also adamant that he did previously ask Capital One to reduce the limit.

## **my findings**

I have considered all the available evidence and arguments to decide what is fair and reasonable in the circumstances of this complaint.

It is my view that Capital One has not made an error. It says that it would have reduced the limit if Mr B had asked it to do so, and having examined its records I cannot find any evidence that he did so until recently. Once it did receive such a request it acted promptly to lower the limit to cover only the outstanding balance.

I have considered what effect the higher than necessary limit might have had on Mr B's ability to obtain credit elsewhere, but am not persuaded that there was any significant impact.

In considering a credit application a lender considers a wide range of information including the applicant's credit file. Mr B has only been able to provide one letter of rejection, and this does not give the reason for refusing him credit. Looking at Mr B's file, which he has provided to us, I see that he has a number of debts with various lenders adding up to a significant amount, and his Capital One card was only one part of this. There are also other reasons why a lender may choose to decline an application, and they are not required to tell the applicant or us what they are. It is not fair and reasonable, therefore, to attribute any credit application declines specifically to the Capital One limit.

**my final decision**

My final decision is that I do not uphold this complaint against Capital One (Europe) plc.

Under the rules of the Financial Ombudsman Service, I am required to ask Mr B to accept or reject my decision before 15 February 2016.

Malcolm Rogers  
**ombudsman**