

complaint

Mr A complains that Capital One (Europe) plc acted irresponsibly in increasing the credit limit on his account.

background

Mr A had a credit card account with Capital One and he says it acted irresponsibly when it increased his credit limit in 2010 and then again in 2012. Mr A says that at the time of the second increase he had taken out multiple payday loans in the months before hand. Mr A has also produced a letter to his GP in September 2016 from an Occupational Therapist working with a Veterans Charity. This confirmed he had a gambling addiction and that he might need referring for specialist help with his mental health issues.

Capital One said that it had followed the rules and regulations governing responsible lending. It said that Mr A had met all his monthly payments in the months before the increases were made. It also said it had not been told that Mr A had any mental health problems, and furthermore his financial position didn't indicate any financial difficulties. So it didn't feel it had acted irresponsibly.

Mr A disagreed and brought his complaint to this service where an adjudicator investigated it. The adjudicator said he could not deal with the issue of the first increase in the credit limit because it happened more than 6 years ago and there were no exceptional circumstances that existed to allow it to be considered out of time.

From the evidence the adjudicator had seen he also did not accept that Capital One had increased the credit limit in 2012 without first making a reasonable assessment of Mr A's financial position. Because of that, the adjudicator did not recommended that the complaint should succeed.

Mr A didn't agree with the adjudicator's opinion, so the complaint has been passed to me for a final decision.

my findings

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint.

I've first looked at whether the adjudicator was right not to consider the issue of the first increase in Mr A's credit limit. Our rules regarding the time limits for looking into complaints say we can't normally look into complaints about things that were more than six years before the complaint was made. But there is an exception in that we can look at those things so long as it is within three years from when Mr A became aware, or reasonably ought to have been aware, that he had cause to complain.

Mr A complains about a credit increase in August 2010 and so it is clearly outside of the six year part of the rule. But I have also considered the three year part of the rule and I think that it would have been reasonable for Mr A to have been aware of the problems he's mentioned much earlier. I could have considered this part of his complaint if Mr A had provided exceptional reasons as to why he couldn't have brought his complaint earlier. I do note that he has produced some evidence of his mental health difficulties but that is dated in September 2016 and there is no indication that he was suffering from problems much before that. Also, Mr A hasn't said that his situation prevented him from making his complaint within time. So I don't think exceptional circumstances apply in this case.

I've looked at whether it was appropriate for Capital One to increase Mr A's credit limit in August 2012. Before Capital One increased the limit, it sent a 30 days' notice of its intention to do so to Mr A, and of course Mr A was able to turn the increase down before it came into effect if he wanted to. There was also nothing obliging Mr A to use the additional funds Capital One made available to him if he didn't feel he was in a position to pay it back or didn't want to risk over-extending himself. He could also have opted out of the increases or reduced his limit at any time.

I can see from Mr A's statements that he regularly paid off the minimum amount each month in the months before the increase. So I can't see that Capital One should've been aware that he was struggling to make the minimum repayments. So I don't think Capital One did anything wrong in increasing the credit limit on his account.

So, taking all of the circumstances into account, I'm unable to find that Capital One acted irresponsibly in increasing the credit limit, and I won't be asking it to do anything. I know Mr A will be disappointed by my decision but I don't uphold the complaint.

my final decision

For the reasons set out above, I don't uphold Mr A's complaint against Capital One (Europe) plc.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr A to accept or reject my decision before 22 December 2017.

Jonathan Willis
ombudsman