

The complaint

Ms K has complained that Capital One (Europe) plc acted irresponsibly when it provided her with a credit card in 2012.

Background

Ms K applied for and received a credit card from Capital One in November 2012. The initial card limit was set to £200. Between 2014 and 2017, Capital One increased Ms K's credit limit on four separate occasions providing her with a final limit of £3,300.

Ms K has said that none of these credit limits were affordable for her. She has explained that by 2020 her finances became unmanageable, and she had to enter a repayment plan with Capital One to try to repay the outstanding balance on her card. She feels that Capital One failed to properly review her circumstances both when it provided the card initially and over the course of each of the credit limit increases. She says had it done so, it would've realised the card wasn't affordable for her and wouldn't have provided her with access to the credit.

Capital One initially said that Ms K had brought her complaint too late and that it was time barred as per the rules set out by the Financial Conduct Authority (FCA). However, since the complaint was escalated to this service Capital One has given its consent for us to investigate the complaint despite the timeline involved.

It says that at the time of each credit application it ran full checks, including income and expenditure and credit file checks. It believes that based on the information available to it at the time the credit was affordable to Ms K and so it doesn't think it did anything wrong in providing her with the card or any of the subsequent credit limit increases.

One of our investigators looked into Ms K's complaint already. She found that, based on the limited evidence still available, the credit provided by Capital One was affordable to Ms K. This included all four credit limit increases. So she didn't uphold Ms K's complaint as she didn't think Capital One had done anything wrong.

Ms K disagreed with our investigator's findings and asked for an ombudsman to review her complaint, so it's been passed to me for consideration.

My Findings

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

Ms K has explained that over the course of time she had the credit card she became reliant on it for everyday expenses such as food and petrol. She's also said that she missed multiple payments and that it was irresponsible for Capital One to provide her with credit limit increases when she was struggling to manage the card properly.

Capital One has provided us with the information it still has on file detailing Ms K's declared circumstances at the point of each credit limit increase. These were set out in detail by our investigator and so I won't reproduce them here as they are known to both parties.

It does appear, based on the evidence provided by Capital One, that it checked basic information with Ms K each time her credit limit was increased. And from what it has provided to this service it doesn't seem as though Ms K was experiencing any financial problems at those times. Or, if she was, those problems weren't yet apparent on her credit file.

Unfortunately, Ms K has been unable to provide us with any evidence to support her argument that the credit limit increases were inappropriate. Normally we would review credit file information or bank statements that could demonstrate the problems that consumers may be having or highlight the fact that they were struggling to manage repayments. But due to the passage of time Ms K no longer has this information to hand and has confirmed she's unable to retrieve it.

Therefore, I can only rely on the information provided by Capital One. All of which indicates that when the lending decisions were made, it did consider whether or not they were likely to be affordable, and based on what it saw, there was nothing to suggest Ms K would have problems managing her account.

As I've not seen anything that contradicts the evidence provided by Capital One I can't say that it was wrong to provide Ms K with the card or any of the credit limit increases that followed. And so, I can't uphold her complaint.

My final decision

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

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms K to accept or reject my decision before 9 October 2023.

Karen Hanlon
Ombudsman