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Walmart Inc. is suing Capital One Financial Corp., seeking to terminate the companies' credit-card partnership.

Walmart's lawsuit, which was filed this past week, alleges that Capital One didn't meet certain terms of the card partnership contract. The case was filed in the Southern District of New York.

Walmart alleged that Capital One didn't provide the customer service it was obligated to offer, such as replacing lost cards promptly. It also alleged that Capital One didn't promptly post some transactions and payments to cardholders' accounts.

A Capital One spokesman said Friday: "These immaterial servicing issues were cured by Capital One pursuant to the terms of the agreement, without harm to customers, the program, or Walmart."

The spokesman said Walmart's lawsuit "is an attempt to renegotiate the economic terms of the partnership it agreed to just a few years ago, or end the deal early." He said that Capital One "will vigorously protect our contractual rights in court."

Walmart executives had recently told Capital One executives that they wanted to renegotiate some terms of the card contract, according to people familiar with the matter. Walmart's requests included adjusting the loss-sharing agreement, the people said. That agreement pertains to the portion of charge-offs that the retailer and the bank each shoulder.

Walmart also conveyed that it wanted its **fintech** arm to be involved in issuing cards, they said. Capital One wasn't willing to accept Walmart's demands, people familiar with the matter said. Capital One began issuing Walmart's credit cards in 2019. The contract runs until at least 2026, people familiar with the matter said.

A Walmart spokesman said Friday that the retailer "has decided to end its consumer credit card agreement with Capital One."

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