

The complaint

Miss M has complained about a default which she feels Capital One (Europe) plc unfairly recorded on her credit file.

What happened

Miss M has explained that she spoke to Capital One in November 2022, to say she'd changed jobs and wasn't sure how much she'd be paid, or when. She asked to change her repayment date, which the call handler did. She also feels she was told that she didn't need to make a repayment in November 2022. The fact she didn't led to arrears, and ultimately the account was defaulted.

One of our investigators looked into what had happened, and listened to the call recording. He noted that when Miss M was asked about the November repayment, she said she wasn't sure if she could make it. The call handler offered to apply some 'breathing space' to the account for 30 days. She confirmed this would stop any interest or charges on the account, or any letters being sent to her during this period. Miss M asked if this would show up on her credit file, and the call handler said it wouldn't, but confirmed information would be recorded if she missed a payment. So, our investigator didn't agree that Miss M was told she didn't have to make a payment. Miss M may have misunderstood the 'breathing space' that was added to the account. However, the call handler did state that this would only prevent interest and charges for the next 30 days.

Following this, our investigator was satisfied that Capital One tried to work with Miss M to come to an arrangement, but the account was defaulted in July 2023, because of a number of missed payments, and no arrangement being in place. So, he thought Capital One had behaved fairly.

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, I'm not upholding it. I know this will be very disappointing for Miss M, but I'll explain why.

First, I've considered whether Miss M was led to believe she didn't need to make the November repayment. I think the call handler was clear that the breathing space only operated to prevent interest and charges. And, that it would affect her credit file if she missed a repayment. I have no doubt that Miss M genuinely felt she didn't have to make the November repayment, but this isn't what was said.

But it wasn't (solely) because of this that the account was defaulted. There were further missed repayments, and no repayment arrangement had been able to be reached. In these circumstances, I don't think it was unreasonable for Capital One to make the decision to default the account.

My final decision

It's my final decision not to uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss M to accept or reject my decision before 21 March 2024.

Elsbeth Wood
Ombudsman