

## **The complaint**

Mr M complains that Capital One (Europe) plc promised him a refund for two payments on his credit card he made in error, but then declined to make the refund.

## **What happened**

Mr M said Capital One told him the refunds he requested would be in his bank account within one working day, but he then discovered the refunds hadn't been made. He said Capital One's decision not to refund him was different to the refunds it had made in respect of previous payments he had made in error.

Mr M complained to Capital One and said its decision and poor service had affected him financially as he really needed the return of the money, and he would like to be fully compensated for the errors made.

Capital One responded by apologising for telling Mr M on a call he would get a refund, when at this time his account was blocked, and paid him £50 compensation. Mr M wasn't satisfied with this and referred his complaint to our service.

Our investigator didn't recommend that the complaint be upheld. He said at the time Mr M requested the refunds his account was blocked pending closure as explained in Capital One's letter to him of 12 July 2023. He said because of the status of the account and the balance owing, Capital One hadn't done anything wrong by not making a refund and providing Mr M with incorrect information in its call did not change the situation.

The investigator could understand that Mr M felt the promise of a refund was broken and said the customer service could have been better. But the investigator said Capital One rectified the error quickly by telling him a refund wasn't possible. And the £50 compensation awarded was fair and reasonable in the circumstances.

Mr M disagreed with the investigator and requested an ombudsman review his complaint. He said although his account was blocked, he was still able to receive a refund in July 2023. He said Capital One's error in its call was only corrected because he called the next day.

## **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.

I have looked carefully at Capital One's handling and decisions on Mr M's account with regard to the refunds and the points he has made about a different approach we have adopted to his other complaint. I have considered Mr M's other complaint about a refunded payment separately.

I can see from its records that Capital One reviewed Mr M's credit card account in light of the refund requests he had been making. Capital One decided not to process Mr M's chargebacks while it reviewed his account and on 11 July 2023 it decided to suspend the account pending withdrawal of his credit card.

Capital One said that when Mr M requested the refunds when he called on 31 October 2023 his account had already been blocked pending closure. I can see that in its letter of 12 July 2023 Capital One told Mr M, “your account is now blocked and you cannot use it”.

Capital One's records show that its agent told Mr M the refund would be processed. This shouldn't have happened due to the block Capital One had in place for further refunds. I think the incorrect advice may have been due to Capital One's agent not noticing that the account had been blocked.

Having said this, Mr M was made aware the refund wouldn't be made the following day when he called and spoke of his unhappiness to Capital One's complaint department. I think Capital One's letter to Mr M of 12 July 2023 about his account closing ought to have alerted him to the unlikely prospect of a refund for any further of his payments made in error.

I can see that Mr M's previously refunded payment was shown on his statement as received very close to Capital One's letter and the refund later in July 2023. It appears that the process had started when Mr M's account was blocked and may not have been affected. Even if Mr M made the initial payment in error immediately after the block was put in place, we wouldn't expect Capital One to continue to ignore the presence of the block and Mr M's arrears on the account going forward.

Capital One was not obliged by the terms of its contract with Mr M or the regulations to make any refunds to Mr M's account following its notification of the withdrawal in its letter of 12 July 2023, and any refund that occurred in this period was in Mr M's favour.

Although the incorrect advice on the phone call wasn't great service, it ran counter to Capital One's withdrawal letter, and the very quick correction due to Mr M's call the next day. This would have reduced any financial impact on Mr M. I think the £50 compensation paid by Capital One is fair for the brief disappointment Mr M felt. This award is in common with others I have seen for complaints with similar circumstances.

Mr M said that everyone should be using the same guidelines when it comes to assessing cases. And that this appears to not be the case given that two of the same cases with the same business and the same complaint have differing views from our service.

We do follow the same approach in assessing the outcome of complaints although we consider each case on its individual merits and decide according to what we consider to be the fair and reasonable outcome in all of the circumstances. This means that although consistency is important to us, there is at least the potential for a different outcome to be reached.

In conclusion, Mr M's present complaint concerns Capital One's refusal to refund payments when his account was blocked and in arrears, when it did so previously. I have set out the timing of Capital One's refund above and said this happened around the time of its review and blocking of Mr M's account. That Capital One chose not to refund a further payment three months later is reasonable in my view, as is its compensation of £50 for the misinformation provided to Mr M on a call.

### **My final decision**

For the reasons I have given it is my final decision that the complaint is not upheld.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr M to accept or reject my decision before 8 March 2024.

Andrew Fraser  
**Ombudsman**