

## **The complaint**

Mr K complains about the mismanagement of his credit card account with Capital One (Europe) plc. He also complains about the way his complaint was handled.

## **What happened**

Mr K opened a credit card account with Capital One in January 2022. In March 2022 Mr K advised Capital One that he was having some financial difficulties. Capital One applied a breathing space.

Mr K said he received a letter from Capital One stating there had been a change of ownership of his account. He said a decision had been taken to sell the account to a third-party Debt Collection Company, DCC. Mr K said it was unreasonable and disrespectful for Capital One to have taken over two months to inform him of this sale. He said the account was sold on 16 June 2023 but he was only advised about this in Capital One's letter dated 15 August. He said this letter was completely unexpected. Mr K said the unreasonable situation with his account and the sale to a DCC was unnecessary and avoidable. He said Capital One should have just kept in touch and tried to help give some support rather than simply giving up. He said he's been left in the dark regarding the situation with his account.

Mr K had reiterated that he was committed to clearing the full balance as soon as his financial situation was more stable and had improved. But Capital One did not enquire about his circumstances before proceeding regardless to dispose of the account. He said he received no update or advice. Mr K said this goes against Capital One's stated values and mission statement.

Mr K said he had also been left in the dark regarding his complaint. He said he received a letter from the DCC saying it had opened up a complaint. He said the letter didn't say what the complaint related to and the DCC haven't given any specific details. Mr K said Capital One had ignored all of his email enquiries about the complaint but if the complaint had been passed to the DCC then that would be serious malpractice. He said the Complaint should obviously be treated confidentially by Capital One not handed to another company. He said the complaint is made to Capital One and is about Capital One's handling of his account. The complaint is not about DCC's handling of the account.

In its final response Capital One said selling debt is covered in its terms and conditions which he agreed to when opening the account. It said it is legally entitled to sell the debt and the customer doesn't need to be notified of this in advance. Capital One also said it cannot guarantee the timeframe in which the notification of sale is sent to a customer. It said it had responded to emails sent by Mr K in August and again in September. And the emails were received successfully as there was no bounce back.

Mr K brought his complaint to this service. He said the complaint was not being made just for the sake of it, but due to his real and genuine concerns. He said Capital One's treatment of his account in general, and of himself as a customer, is mirrored by the way that the company treated his complaint. He said it has been troubling for his account and complaint to be treated so poorly and neglectfully by Capital One. He said there was a complete lack of

communication at all stages regarding his account and his complaint. He said he reiterated to Capital One that he was committed to clearing the full balance as soon as his financial situation improved. But he said Capital One did not enquire about his circumstances before proceeding to dispose of the account. He believed that compensation should be at the level of at least £200.

I issued a provisional decision on 2 July 2024. I said:

*Sale of the debt*

*Mr K was granted breathing space on his account in March 2022. This meant no interest or charges would be applied to the account. The letter confirming this says:*

*“We'll still send you important messages, including if you are at risk of being defaulted or permanently losing the use of your card. If you receive any of these, they still apply...You won't be able to use your card.”*

*“It's important that you contact us if your situation changes, so that we can make sure we're still giving you the right support.”*

*I've seen a copy of a letter dated 8 June 2022 which informed Mr K that his card was suspended, and he would need to contact Capital One to discuss his options. A letter dated 14 July was sent to Mr K confirming the card was permanently stopped. Again the letter asked for Mr K to get in touch to discuss options. I've seen copies of Notice of Sums in Arrears letters and a default notice which was issued on the 8 August. On this notice it says:*

*“We may sell your debt to another company known as a debt purchaser for them to recover what you owe.”*

*I'm satisfied Capital One showed forbearance by applying the breathing space to the account when Mr K said he was experiencing some financial difficulty and it then sent appropriate and regulatory letters over a period of several months. I'm satisfied Mr K was given the opportunity to discuss payment options.*

*I've read the terms and conditions of Mr K's Capital One credit card account and it says:*

*“We have the right to transfer our rights and responsibilities - including your debt - at any time, as long as it doesn't affect your rights...”*

*I do understand Mr K's frustration that Capital One sold the debt, but the sale was 10 months after the account defaulted so Mr K did have time to contact Capital One to make payment arrangements. I'm satisfied Capital One has acted within its terms and conditions when it sold the debt. So I don't think it acted unfairly. Mr K is also unhappy that it didn't inform him of the sale immediately. Businesses are required to let consumers know when an account is sold. The Financial Conduct Authority' Consumer Credit Source Book (CONC):*

**6.5.2**

**1) Where rights of a lender under a regulated credit agreement are assigned to a firm, that firm must arrange for notice of the assignment to be given to the customer:**

**(a) as soon as reasonably possible;**

*I think it's reasonable to allow time for administration.*

### Complaint handling

*Mr K's complaint to this service centres around the way in which Capital One handled his complaint. He has told our service that this complaint was not made just for the sake of it, but due to real and genuine concerns. He said our investigator's view doesn't mention the issue of Capital One making false and misleading representations about him to the DCC. He said by referring matters on to the DCC Capital One clearly and wrongly informed it that he was unhappy about DCC's own handling of the account, which wasn't the case. He is concerned that his emails about the complaint to Capital One went unanswered because the complaint had been passed on, and that there has been a misuse of his personal information when the complaint was sent to the third party. Mr K said the impact of the complaint being wrongly passed to the DCC has caused uncertainty, confusion and concern about the account and, he believes, is a breach of confidentiality by Capital One.*

*I do understand Mr K's frustration here and his strength of feeling in this matter.*

*Our service operates under a set of rules, known as DISP, laid down by Parliament under the Financial Services and Markets Act 2000. These are published by and are available from the Financial Conduct Authority (FCA). DISP sets out the scope of our powers and – of particular relevance here – the type of complaints we are able to consider. Complaint handling is not a regulated activity and as such is not normally something our service is able to look at. There may be some circumstances where I can look at complaint handling where it is related to the way the firm has administered its business in relation to that financial service.*

*The complaint about the sale of Mr K's credit card debt is a regulated activity as it forms part of the financial service (credit card), so I am able to look at this, as I have done above. But Mr K's complaint goes further in that he is unhappy that his complaint was passed to the DCC for it to consider which, he said, was inappropriate because his complaint was about Capital One's customer service and not the DCC's. I'm persuaded that Mr K is complaining here about the disclosure of his complaint to the DCC and the subsequent potential breach of confidentiality. And, subject to any further information I might receive, I'm satisfied these are not regulated activities so this service is not able to consider them.*

Both parties accepted my provisional findings.

### **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.

As both parties have accepted my provisional decision I see no reason to depart from its conclusions.

### **My final decision**

My final decision:

- In relation to the sale of the debt, I don't uphold this complaint point.
- In relation to the complaint handling, our service is not able to consider it.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr K to accept or reject my decision before 11 September 2024.

Maxine Sutton  
**Ombudsman**