

The complaint

Mrs R is complaining about the administration of her credit card account by Capital One (Europe) plc.

What happened

Mrs R moved overseas in 2010. She was struggling to pay off her credit card debts so in May 2011 she contacted a UK debt charity who set up a debt management plan for her. They made payments to all of Mrs R's creditors on her behalf, including Capital One.

In December 2011, Mrs R wrote to Capital One to ask them to update her address. She received a reply saying Capital One couldn't process her address change as the signature didn't match the signature on her account. The letter asked Mrs R to call Capital One. Mrs R says she called but couldn't pass the security questions so was unable to speak to them. Mrs R says the issue with the security questions was the address she gave – despite giving both her overseas addresses and her last address in the UK.

Mrs R says she told the debt charity about the phone call and assumed they would tell Capital One of her change of address. She continued to pay Capital One through the debt charity.

In January 2014, Mrs R wrote to Capital One to ask them to update her address again. Capital One wrote back and, as in 2011, said they couldn't process the address change as the signature didn't match the signature on her account. As in 2011, the letter asked Mrs R to call them.

In July 2014, the debt charity wrote to Mrs R to tell her they'd had a payment returned to them by Capital One. They said they needed Mrs R to provide the correct creditor name and account details so they could continue paying off the debt. The debt charity said they didn't hear any more about the debt after this.

Mrs R thought she'd cleared all of her debts in March 2019. But when she moved back to the UK and then applied for a mortgage in May 2020, she realised she had a county court judgment (CCJ) in relation to her Capital One debt. Her mortgage application was rejected.

Mrs R complained to Capital One. She was upset that Capital One hadn't provided the correct address to the debt collection agency when they'd sold her debt in November 2012.

Capital One said that they'd received Mrs R's requests for them to update her address in December 2011 and again in January 2014. But, they said, on both occasions they'd asked Mrs R to call them and didn't hear from her. So they didn't update her address. They didn't uphold Mrs R's complaint so she brought her complaint to our service.

Our investigator looked at Mrs R's complaint and didn't think Capital One had done anything wrong. She thought Capital One acted fairly by keeping Mrs R's existing address details on their file – because they didn't have proper authorisation to change her address. And although she was sympathetic to the situation Mrs R found herself in, she didn't think Capital One had treated Mrs R unfairly or unreasonably.

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.

Although I appreciate Mrs R will be disappointed, I'm not upholding her complaint. It's clear there was a breakdown in communications between Mrs R, the debt charity and Capital One. And I can see that this may have been a contributing factor in a CCJ being made against Mrs R. However, I agree with our investigator that Capital One shouldn't be held responsible for this. I'll explain why.

I've looked at the copies of the letters Mrs R sent Capital One to ask them to change her address. I'm satisfied the signature on both of those letters doesn't match the signature on Mrs R's credit agreement, so it was fair for Capital One to ask Mrs R to call them to authorise the address change.

Mrs R said she wasn't able to pass the security questions when she called Capital One. There's not enough information available for me to see why that's the case – Capital One have said they had Mrs R's last UK address on file at the time so I'm not sure what happened. But it seems Mrs R would have known that she hadn't successfully changed her address as a result.

Mrs R's commented that the address information that the debt charity had, and provided to Capital One, didn't match the information Capital One had. I can see that's true – but I can't see that the debt charity asked Capital One to change their records of Mrs R's address, or that they had authority to do so. So I wouldn't expect Capital One to have changed their records of Mrs R's address just because it didn't match the information provided to them by the debt charity.

Capital One passed the debt to a debt collection agency to handle in early 2012 and then sold it in late 2012. They've explained that when this happens, it's up to the debt collection agency to inform the debtor. So I wouldn't have expected Capital One to tell Mrs R they'd passed the debt on. And I'd expect Capital One to give the debt collection agency the address they held on their files – which is what they did. So I can't say Capital One did anything wrong when they sold the debt.

After Capital One sold the debt, they passed Mrs R's payments on to the debt collection agency. I can see there's been a bit of confusion about why this stopped. The debt charity told Mrs R in their letter of July 2014 that they'd had a payment returned to them by Capital One. But neither the debt charity nor Capital One have any record of a returned payment. The debt charity's letter to Mrs R dated 5 June 2020 says: *"We checked information from Capital One on 11 July 2014 which suggested your account had become inactive, so we didn't send any further payments to Capital One after 19 June 2014"*. As the debt charity stopped sending payments to Capital One, I can't say Capital One did anything wrong in this respect.

In summary, Capital One didn't have the necessary authorisation to change their records in relation to Mrs R's address. They passed the address details they had to the debt collection agency, and passed Mrs R's payments on to the debt collection agency until those payments stopped in July 2014. I'm satisfied they've acted fairly.

My final decision

As I've explained above, I'm not upholding Mrs R's complaint about Capital One (Europe) plc.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs R to accept or reject my decision before 15 February 2021.

Clare King
Ombudsman