

The complaint

Mr K is unhappy that Capital One (Europe) plc defaulted the credit card account he holds with them. In particular, he says that he had done all he could to set up a repayment plan.

What happened

Mr K says that his credit card account with Capital One fell into arrears, after he lost his job due to the ongoing Covid-19 pandemic. He says he called them in May 2021 after receiving a default notice, as he had returned to work and wanted to arrange an affordable payment plan.

Mr K says he was told that due to system issues, it wasn't possible to set up the plan but that they would call him back to do so once the problems were resolved. Mr K says he didn't receive a call and whilst he tried to call Capital One, he couldn't get through.

Capital One say they then applied a default to the account. Mr K complained and said he was awaiting a call to arrange a payment plan. However, Capital One said they had acted fairly and didn't agree to remove the default. Mr K remained unhappy and brought his complaint to our service for an independent review.

Our investigator looked into it, but he didn't think that Capital One had done anything wrong and concluded that the default had been applied fairly.

Mr K didn't agree, he said that he expressed his dissatisfaction in the call in May 2021 and that someone was to call him back.

As no agreement was reached, the case has been passed to me to reach a decision.

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 have come to the same conclusion as the investigator. I'll explain why.

Mr K's account had started to go into arrears in December 2020, after he had lost his job as a result of the ongoing pandemic. I can see that Mr K contacted Capital One in January 2021, to let them know that he had a new job and would shortly be able to bring the account back up to date.

Capital One wrote to Mr K in January, February and March 2021 to confirm the arrears on the account had continued and letting him know that a payment plan for the amount might

help. However, I can see that the arrears continued and in May 2021 Capital One issued Mr K with a default notice. Following over six months of arrears and attempts to engage with Mr K, I think Capital One acted fairly here.

Following the notice, I can see that Mr K called Capital One on 8 May 2021. I understand that this was as an attempt to avoid the default and agree some arrangement to pay. Mr K says that it was system issues with Capital One and a failure from them to call him back that prevented this. However, having listened to the call, I don't agree this was the case.

Whilst Mr K was informed that a plan could be put in place and if funds were deposited by 2 June 2021, a default could be prevented, he was also told that as the statement had been produced that day, he would need to call back to arrange this. There was no agreement that Capital One would call Mr K and I am satisfied that the responsibility was on him to call to arrange a plan and deposit funds.

Mr K has said that he raised dissatisfaction in this call and as such a complaint should have been raised and Capital One should have called him back as part of that process. Having listened to the call, I agree with the investigator that there was not anything said that should have led to the associate raising a complaint and getting someone to call Mr K back.

I think the default was applied fairly. Whilst Capital One agreed to give "breathing space" to freeze any interest and charges, Mr K had been given a notice of default and was told that he needed to call back to arrange a payment plan and deposit some funds, to avoid it. Whilst I appreciate that it was probably difficult to get hold of Capital One, as Mr K says there were long phone waiting queues, it was his responsibility to ensure he did this. There was almost a month between the call to Capital One and the default being applied on 7 June 2021, after the 'breathing space' had ended. I think this was long enough for Mr K to get in touch with Capital One and I think they have acted fairly.

My final decision

My final decision, for the reasons set out above, is that I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr K to accept or reject my decision before 26 August 2022.

Yoni Smith
Ombudsman