

The complaint

Mr G complains about how Capital One (Europe) plc have handled a disputed payment and the customer service he received in relation to this.

What happened

In December 2020 Mr G noticed unexpected activity on his account and contacted Capital One. Capital One initially removed this from Mr G's credit card account but then re-applied a £1,575 debit in February 2020 after the merchant defended the relevant chargeback claim.

The merchant was a car hire company, and Mr G says that while he had used that company in the past, he didn't owe them any money.

Mr G complained, saying he didn't authorise this payment and it shouldn't have been allowed. He also cancelled a direct debit that was in place to make repayments to his credit card. Mr G explained he didn't want Capital One to incorrectly take a higher payment towards the disputed amount on his account.

In March 2021, Capital One re-credited £1,575 to Mr G's credit card and removed associated interest and charges. It accepted it could have had a better conversation with Mr G earlier on and paid Mr G £50 compensation. However, Capital One didn't remove interest or fees associated with the remaining balance or missed re-payments. Capital One has recorded the missed payments on Mr G's credit file and the account has since defaulted.

Mr G says Capital One didn't have a proper process in place considering his disability under the Equality Act and that it has harassed him with the quantity of correspondence sent about his account. Capital One says it stopped calling Mr G once it became aware of his condition and the stress its calls were causing him, but that it needed to write to / email Mr G about the state of his account to make him aware of important information such as payments due, arrears and his default notice.

When Mr G complained to our service, the investigator upheld the complaint. They thought Capital One ought to increase the compensation by £100 (a total of £150) to reflect the impact the matter had on Mr G. Capital One agreed to this, but Mr G didn't think it went far enough. So, the complaint has been passed to me to decide.

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 agree that Capital One paying Mr G a further £100 is a fair way to settle this complaint. I'll explain why.

When Mr G initially reported his concerns about the payments attempted by a car rental company, Capital One re-credited Mr G's account while it investigated the matter. I can see

why, based on the information provided by the car rental company, Capital One initially held Mr G liable. This is because the company was able to show that Mr G had a previous relationship with it, had previously provided his credit card information to it, and a signed agreement referencing when it could take further payments. However, upon further review and information provided by Mr G, Capital One took the decision to write off the amount and reimburse Mr G for any associated interest and charges. I think this was a fair way to resolve the matter.

I don't think Capital One needed to reimburse interest or charges applied as a result of no payments being made to the account by Mr G - there was a genuine outstanding balance and so Mr G was required to make repayments to the account. If Mr G didn't want to repay the full balance as he had chosen to do in the past, he could have changed his direct debit or manually made payments for the minimum amount due or repaid only the balance that he wasn't disputing. Whilst he might have offered to do this, he didn't make any re-payments in for some months. It follows that any accurate reporting of Mr G's account to credit reference agencies is also fair – when a payment is in dispute this doesn't affect a customer's obligations to make repayments under the credit agreement towards a genuine debt.

I've gone on to think about what Mr G has raised in relation to his disability and how this matter has affected him. Mr G says Capital One should have had a process in place to deal with him differently in light of his disability. It isn't our role to set a business's policies or procedures, or to penalise businesses. But I have considered how Capital One communicated with Mr G and the impact any delays or mistakes had on Mr G in light of his disability.

Having done so, I agree £150 is a more appropriate amount of compensation in the circumstances. Mr G has explained that it took him longer to deal with the matter due to his disability and that he's spent days on this as a result. Our service wouldn't normally apply a 'day rate' to the time a customer has spent trying to put matters right. I think £150 is a fair amount considering the time Mr G has described spending on the matter – as the issue was put right in March 2021.

Generally speaking, when someone informs a business that they have a disability that can impact their mental health we'd expect the business to consider how best to communicate with them. Capital One did that here and stopped calling him when it became aware of how this impacted him – so it has listened and adapted to Mr G's needs. I don't think it would have been reasonable for Capital One to completely cease providing updates to Mr G in relation to his account as he did need to be made aware of the impact non-payment was having on his account. I can't see that Mr G made any other specific requests about how Capital One should interact with him.

Putting things right

For the reasons I've explained, Capital One should pay Mr G a further £100 compensation – this is in addition to the £50 it's already applied to his account.

My final decision

My final decision is that Capital One (Europe) Plc should pay Mr G a further £100 compensation.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr G to accept or reject my decision before 15 September 2022.

Stephanie Mitchell
Ombudsman