

The complaint

Miss W complains that Capital One (Europe) Plc hasn't done enough in relation to her dispute over a holiday deposit.

What happened

In April 2023 Miss W used her Capital One (Europe) Plc credit card to pay £377 to a holiday company as a deposit on a holiday. She then felt she had to cancel the holiday due to family health issues, so she spoke to Capital One about what would happen if she cancelled it. She was told she'd get her money back by Capital One. So she cancelled and the holiday company kept the deposit. So she complained to Capital One.

Capital One looked into the matter and accepted that its employee provided her with wrong information. So it paid Miss W a total of £150 in recognition of this failing. It also said it couldn't do any more as it didn't think a chargeback or Section 75 claim under the Consumer Credit Act 1974 could be successful considering the agreement Miss W made with the holiday company. Miss W didn't think this was fair, so she brought her complaint to our service.

Our investigator looked into the matter. Originally she didn't think Capital One didn't have to do more but Miss W disagreed. Our investigator then liaised with Capital One and Capital One said it would pay an additional £50 plus 8% on the total of £200 compensation. Miss W didn't agree. 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.

There's no dispute that Miss W used her Capital One card to make the purchase of the holiday. So I don't think Capital One did anything wrong by charging it to her account originally.

There's no debate that the Capital One employee told Miss W information which wasn't true. Miss W thinks that what she was told should, in essence, be made true by Capital One refunding Miss W the full amount. I can appreciate Miss W's disappointment about being given wrong information but she's made clear she couldn't go on the holiday due to family health issues. So she was always going to never get the £377 back due to the terms of the contract she agreed with the holiday company. So she hasn't suffered an actual loss here, she's suffered a loss of expectation and the implicit disappointment and distress of finding out what she was told wasn't correct.

In these circumstances Capital One's consideration of chargeback and a section 75 claim both result in the same conclusion for essentially the same reasons. In short when Miss W cancelled, the terms of the agreement she made with the holiday company meant she lost her deposit. It's clear she did cancel the holiday and the terms are clear. So neither a chargeback or Section 75 claim would have led to Miss W getting her deposit back in any

event. So I don't think Capital One treated Miss W unfairly through its approach to chargeback or section 75.

So is the offer fair?

Miss W hasn't pointed to any substantial distress or inconvenience by what has happened here. Capital One has agreed to pay a total of £200 (including what its already paid) plus 8% from when it answered Miss W's complaint until it settles the matter. All things considered although I appreciate Miss W's disappointment here I must also bear in mind the offer made is significant in amount compared to the deposit Miss W was never going to get back in any event. And I think it fairly reflects her disappointment. Accordingly I think Capital One's offer is fair.

I do appreciate that this isn't the decision Miss W wants to read. And clearly she has reasons to be disappointed with the Capital One, but I think this offer is a fair offer in the circumstances and once it has been paid to Miss W it has nothing to do on the matter.

My final decision

For the reasons set out above, I do not uphold the complaint against Capital One (Europe) Plc. It has nothing further to do once its paid what it has said it will to Miss W, as described above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss W to accept or reject my decision before 23 April 2024.

Rod Glyn-Thomas
Ombudsman