

The complaint

Mr A complains that Capital One (Europe) plc acted unfairly by reporting adverse information about a credit card account he held with it when he experienced financial difficulties.

What happened

Mr A opened a credit card with Capital One in May 2019. Unfortunately, in or around September 2023, Mr A experienced financial difficulty and he contacted Capital One to explain he was struggling to meet that month's payment.

The agent Mr A spoke to put him through to the Specialist Support Team who discussed the options available to him which were either the account was placed in a breathing space hold, or a payment plan could be considered. Mr A agreed for a 60-day breathing space to be placed on his account and he was advised that in that time no interest or charges would be added to the account. Capital One says a letter setting out the details of the breathing space was sent to Mr A via email.

Mr A says he was later shocked to find late payment markers had been added to the account as he had been told the breathing space hold wouldn't have an impact on his credit file. He complained to Capital One.

Capital One didn't uphold Mr A's complaint. It said that during the September 2023 phone call when the breathing space had been set up, the agent had told Mr A that missed payments would still be reported. Capital One said Mr A could put a notice of correction on his credit file if he disagreed.

Mr A was unhappy at Capital One's response and complained to this service. He said Capital One had told him that although the minimum monthly payments would still be generated, he could ignore these. He said he had asked about the impact on his credit file and been told there wouldn't be any. Mr A said if he had known he would have late payment markers added to the account then he would have borrowed the money for the payment.

Our investigator didn't recommend Mr A's complaint should be upheld. She said that on listening to the call, which had come in two parts as Mr A had spoken to two different agents, she was satisfied that Mr A had been told that the missed payments would be reported to the credit reference agencies.

Mr A disagreed with the view of our investigator. He said he had never received the letter from Capital One confirming the details of the breathing space. Mr A also said that as he had been told he didn't need to make payments as he was on a 60-day breathing space then it was reasonable to expect there wouldn't be any negative information reported about the account to the credit reference agencies.

The complaint has been passed to me.

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.

I appreciate Mr A was concerned that the phone call he made to Capital One in September 2023 about his financial difficulties had come in two parts, but I don't think that was in any way suspicious or suggestive of a call that wasn't complete. There were two parts because having informed the first agent he was experiencing financial difficulties he was then passed on to a different team who dealt with that issue. The first agent didn't give Mr A any advice as to what his options would be. The second agent spoke with Mr A about placing a breathing space hold on the account or Mr A entering into a payment plan. Mr A said that the breathing space was better as he would struggle to afford a payment plan.

The agent, having explained that no interest or charges would be added to the account for the 60-day breathing space, told Mr A that although the breathing space itself wouldn't be reported, any missed or late payments would be. On listening to the call, I didn't hear Mr A raise any concern about the potential impact of his financial difficulties on his credit file and so this wasn't discussed. I think that Capital One acted fairly when discussing Mr A's options with him during that call. It also acted fairly by not applying interest or other charges during this breathing space period in recognition that he was struggling financially.

I've seen that Capital One also sent Mr A a letter via email confirming the breathing space details. This letter also sets out that late payments will still be reported. While I appreciate Mr A says he didn't get this letter I don't know why it wasn't delivered. I haven't seen anything that would suggest Capital One would have been aware it had bounced back. I can't say its non-delivery was due to anything Capital One had or hadn't done. However, I also think this letter just repeated what the agent had already told Mr A.

Mr A says his belief that there would be no adverse information reported about this account was reasonable in the circumstances. But, although I appreciate this will be of disappointment to him, I disagree, and I will explain why below.

Under the terms and conditions of the credit card, Mr A was obliged to make monthly payments towards the outstanding balance of at least the contractual minimum amount. So, it's fair to think Mr A would be aware that due to his circumstances, he wasn't able to keep to the agreement. And when payments are late or missed, then a credit company is required to provide accurate and fair information to the credit reference agencies as to how a consumer manages their account. Here, Mr A had missed payments and had been told the consequences of that before agreeing to have a breathing space hold placed on his account. I therefore think Capital One acted fairly when it reported the adverse information to the credit reference agencies and I'm not going to ask it to remove this.

For the reasons set out above, I'm not upholding Mr A's complaint.

My final decision

As set out above, I'm not upholding Mr A's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr A to accept or reject my decision before 6 May 2024.

Jocelyn Griffith
Ombudsman