

The complaint

Mr L complains that Capital One (Europe) plc closed his credit card account despite being told it would be kept open if he purchased an item.

Mr L is represented in this complaint. However, for the sake of simplicity in this decision I have referred to all the submissions from Mr L's representative as being made by Mr L.

What happened

Mr L opened a credit card account with Capital One in July 2021. In December 2022 Capital One wrote to Mr L by email to inform him the account would be closed on 3 March unless a transaction took place before that date. Mr L spoke to the customer service team on 3 March to ask if the account had been closed. He said he was advised that if he used the card on that day it would prevent the account from closing.

The account was subsequently closed on 12 March and Mr L raised a complaint. Capital One accepted it provided Mr L with incorrect information during the call on 3 March regarding making a transaction and offered him £100 in compensation. In May Mr L called Capital One to ask for a complaint update and was left with the impression the complaint was still open. He called again in August and was told this was incorrect, the complaint had been closed. It offered Mr L a further £25 compensation for this error. Mr L wasn't satisfied and brought his complaint to this service.

Our investigator concluded that Capital One had adhered to the account terms and conditions relating to the closure of the account but had accepted it made errors regarding information it gave when Mr L called. She said the compensation offered was fair and reasonable. Mr L didn't agree and asked for a decision from an ombudsman. He said he didn't see how being misguided and denied a card when wrongly advised could attract only £125 in compensation. He said he's missed the opportunity to build up a credit limit beyond £200 to several thousand.

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 realise this will come as a disappointment to Mr L but having done so I agree with the conclusions reached by the investigator for the following reasons.

Capital One sent Mr L an email dated 3 December giving him three months' notice of closure of the account. This was because the account hadn't been used in some time and was part of the bank's effort to protect customers and itself from potential fraud. I've looked at the terms and conditions of the account and they allow Capital One to close the account with two months' notice. So I'm satisfied it hasn't done anything wrong by closing the account. I understand Mr L's frustration with this but it's not my role to look at a business' processes. As Mr L wasn't using the account and Capital One gave him more than the required notice it hasn't done anything wrong. Mr L has said this has denied him the opportunity to build up a

credit limit from £200 to several thousand. There is no guarantee that had the account remained open Capital One would have increased Mr L's credit limit.

When Mr L called Capital One on 3 March it said Mr L could make a transaction that day and the account would remain open. Capital One has said this was an error. It offered Mr L £100 compensation for this error which I consider fair and reasonable in the circumstances and more than I would have recommended.

Mr L has said he shouldn't have had to chase up what happened to the card and the complaint. He said it was a waste of time and phone calls especially during ongoing health problems. I am very sorry to hear that Mr L has been suffering from health problems. Capital One apologised for saying that the complaint was still being investigated, and that it sent Mr L a cheque for £100 'in the interim'. It said this was an internal error and the information was incorrect. By way of apology it sent Mr L £25 in compensation.

Our service operates under a set of rules, known as DISP, laid down by Parliament under the Financial Services and Markets Act 2000. These are published by and are available from the Financial Conduct Authority (FCA). DISP sets out the scope of our powers and – of relevance here – the type of complaints we can consider. Complaint handling is not a regulated activity and as such is not normally something our service is able to look at. So I'm not able to look at how Capital One handled Mr L's complaint. Capital One has acknowledged it gave Mr L incorrect information. But this information didn't affect the outcome of the complaint or account closure and I'm satisfied £25 is fair and reasonable.

My final decision

My final decision is that I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr L to accept or reject my decision before 28 October 2024.

Maxine Sutton
Ombudsman