

## **The complaint**

Miss T complains about the service she received from Capital One (Europe) plc.

## **What happened**

In late May 2024, Miss T started to make an online purchase using her Capital One credit card but decided not to complete the process and asked the merchant to refund the payments. After the merchant refused, Miss T disputed the transactions with Capital One

Capital One mistakenly placed a fraud block on Miss T's account. It took Miss T longer than it should have to get Capital One to remove the block. Before our service became involved, Capital One told her it had processed refunds on three out of the four transactions and credited her account with £1,000 compensation by way of an apology. It later agreed to refund the fourth disputed transaction.

Miss T was unhappy to find that instead of paying £1,000, Capital One credited her account with £100.

After bringing her complaint to our service, Capital One apologised, saying that its offer to pay £1,000 was a typographical error and should have read £100. Capital One said it didn't think £1,000 compensation was reasonable in the circumstances but it offered to pay an additional £100.

Our investigator said Capital One accepts the service it gave to Miss T was poor and that it had referred her case to the fraud team by mistake. However, he thought Capital One's offer to pay a total of £200 compensation was a fair reflection of the distress and inconvenience caused to Miss T.

Miss T disagrees with the investigation outcome. She says the delays could have been avoided if Capital One had followed the correct process. Miss T points out that Capital One only improved its' offer after we became involved. She says the lack of proactive contact has been an issue throughout.

Miss T thinks that Capital One should honour the original offer that it made regardless of the typo. She thinks the error is further evidence of the poor way in which Capital One managed the situation.

Miss T says that despite Capital One saying it would resolve the disputed transactions within two weeks, it has taken significantly longer than this through no fault of her own.

Miss T suggests that we listen to every call to understand the many times Capital One gave her incorrect information. She has been inconvenienced by the delays and has found the experience stressful and upsetting. Miss T would like Capital One to improve its processes so the same mistake does not happen again.

## **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 hope that Miss T won't take it as a discourtesy that I have summarised her complaint in less detail and that I have concentrated on what I consider to be the key issues. The informal nature of our service, together with the rules that govern us allow me to take this approach. But this doesn't mean I have not considered everything the parties have supplied to us.

Miss T gave Capital One the necessary additional information to support the disputed transactions by 1 June 2024. She had to repeat the same information during calls on 7 June 2024 and Capital One failed to tell her that it had blocked her credit card. Although Capital One refunded three transactions around 12 June 2024, it took until 1 July 2024 to refund the fourth transaction.

Capital One accepts that it made some mistakes with the way it handled the disputed transactions and fraud block. I don't seek to minimise the impact of these mistakes on Miss T by not referring to them in detail, but my decision focusses on whether Capital One has already done enough to put things right.

Overall, I consider an award of £200 compensation is fair. It sits within the range of award we might make where the mistake has taken a reasonable amount of effort to resolve. In Miss T's case, she has had to contact Capital One multiple times and has been unnecessarily inconvenienced by the fraud block. I agree that Miss T spent more time than she should have had to dealing with Capital One and that delays and inconvenience could have been avoided. But I also take account of the fact that Capital One dealt promptly with most of the transactions as it refunded them within two weeks after Miss T raised the dispute. It also resolved the block on the account by sending Miss T a new card in June 2024. And refunded the remaining disputed transaction by the beginning of July 2024. So, although frustrating for Miss T, Nationwide took steps to minimise the impact of its mistakes, within a reasonable amount of time.

Although Miss T wants Capital One to honour the offer it made of £1,000 compensation, I don't think this is fair. We would only make an award of that size where the mistake has caused substantial distress and the impact has been felt over a sustained period of several months to a year. Or where the impact has been felt more short term, but the effects have been ongoing. Our approach to awards such as this can be found on our website.

Given the relatively short time period involved and the fact that I don't have evidence of ongoing harm, I would not look to make an award of £1,000 to Miss T. So, although I agree that Capital One raised Miss T's expectations when it mistakenly offered her £1,000, I don't think this means it must now honour that mistake.

When our investigator sent his investigation outcome, he thought Capital One should pay Miss T £200 direct rather than applying it against the balance on her account. If Miss T accepts my decision and Capital One pays her £200 direct, this would result in a £100 increase to her credit card balance. This is because by having already applied £100 compensation against the outstanding balance, Capital One has reduced the balance by £100. So, if it now pays the £200 total to Miss T direct, it will need to reverse the £100 credit to her account balance. It would therefore be helpful if Miss T would confirm what she would like Capital One to do when she responds to my decision.

For the avoidance of doubt, if Miss T does not accept my final decision, I do not expect Capital One to reverse the £100 credit already applied to her account.

### **Putting things right**

Capital One should pay Miss T a total of £200 compensation once she confirms whether the compensation is to be paid direct to her or applied to the balance on her account. For the avoidance of doubt, the award includes the £100 already paid by Capital One.

If Miss T wants Capital One to pay her £200 direct, it can reverse the £100 credit already applied to her account to make the £200 payment. If Miss T does not want Capital One to reverse the £100 credit, Capital One should pay £100 direct to Miss T unless she asks it otherwise.

### **My final decision**

My final decision is that I uphold this complaint. In full and final settlement, I direct Capital One (Europe) plc to put things right as set out above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss T to accept or reject my decision before 7 November 2024.

Gemma Bowen  
**Ombudsman**