

The complaint

Mr E complains that Zopa Bank Limited didn't place a hold on his credit card account while he was in discussions with a debt charity regarding a Debt Management Plan. He also says that Zopa weren't sympathetic towards him.

What happened

In August 2024, Mr E contacted Zopa as he was going through financial difficulties. He contacted Zopa using the online chat service. Mr E asked Zopa if it could apply breathing space to his account. Zopa responded to let him know that any late payments would put his agreement into arrears. He would still be charged interest; a late payment fee will be charged, and it may report this information to the credit reference agencies. Zopa initially told Mr E that it didn't offer repayment holidays or breathing space.

Later in the chat, Zopa explained to Mr E that it would be the debt management company that could apply for breathing space, however it could offer Mr E a 30 day hold while it was waiting to hear from the debt management company. It said repayments would still be due during this time, missed payments might be reported to the credit reference agencies, however a late payment fee wouldn't be added to the account. Zopa added that Mr E wouldn't be able to spend on the account while it was on hold and interest would still be applied to the outstanding balance.

Mr E was unhappy with the information provided on the chat, as he didn't feel it was sympathetic towards his mental health condition.

Zopa didn't uphold Mr E's complaint. In summary, it said Mr E had been provided with the correct information in the chat.

An Investigator considered what both parties had said, and they didn't find that Zopa had acted unfairly - stating that Zopa provided Mr E with the correct information.

Mr E didn't agree with the investigator. Mr E implied the Investigator hadn't understood his complaint. He said that his complaint was about him letting Zopa know he was in financial difficulties, and he asked if Zopa could put a hold on the account while he was in contact with the debt charity. He added that every other creditor was aware of what he was asking for, but Zopa wouldn't help, and the first thing they said was that they would apply charges which wasn't sympathetic.

Because an agreement couldn't be reached, the complaint has been passed to me to decide on the matter.

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've decided not to uphold Mr E's complaint.

I've looked at the online chat between Mr E and Zopa. I can see that Mr E asked for breathing space. However, he was initially told that it couldn't do this and that he would be charged if he made a payment late. I agree it probably would have been better if Zopa had first explained that this would need to be requested by the debt management company, and that it could apply a hold for 30 days while it waited for contact from the debt management company. But given that Zopa did provide this information later during the chat and also confirmed that he wouldn't be charged a late payment fee while the account was on hold, I'm not going to uphold this part of his complaint. That's because I'm satisfied that Mr E was provided with the correct information.

I note that Mr E says Zopa wasn't sympathetic to his situation. Looking at the chat, I can see that the agent did respond to Mr E's comments about his mental health, and they were empathetic. The information the agent provided regarding fees, charges and what could happen if payments were missed was factual information. I would have expected Zopa to provide this to Mr E so he could make an informed decision about what he wanted to do. I don't find it has done anything wrong here.

Mr E has stated that Zopa didn't apply the hold and continued to allow him to use his card. However, Mr E didn't confirm he wanted to go ahead with the hold following the information Zopa provided him about it. I wouldn't have expected Zopa to have made changes, like placing a hold, without Mr E agreeing to it first. It follows that I can't find that Zopa has done anything wrong here either.

Mr E has compared his experience with Zopa to different creditors. Saying that other creditors treated him better. However, my decision refers to what Zopa has done and for the reasons I've already set out, I'm not persuaded it treated Mr E unfairly.

My final decision

For the reasons set out above, I don't uphold Mr E's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr E to accept or reject my decision before 20 February 2025.

Sophie Wilkinson
Ombudsman