

## **The complaint**

Mrs H complains about the outcome of a payment dispute she made to Capital One (Europe) plc (Capital One).

## **What happened**

In November 2023, Mrs H contracted with a company to perform some works on a drainpipe on her property. I'll call this company D. Mrs H paid £1,835.00 to D using her Capital One credit card in January 2024. This was half of the full invoice amount.

Mrs H says the repairs were done to a poor standard and damage was caused to her property. She contacted D about this who conducted a repair, but the drain collapsed after the repair. Mrs H was unwilling for D to come out to conduct another repair following this. D offered a small price reduction and Mrs H had the repairs done by another company costing £2,024.40 and £108. Mrs H also says that damage has occurred to an outside pipe and wall which still require repair.

Mrs H made a claim to Capital One under Section 75 of the Consumer Credit Act 1974 (Section 75 CCA). Mrs H asked for either the funds she'd paid to D to be returned to her, or the cost of the repairs to be returned to her. Capital One accepted the claim and offered Mrs H two options as follows:

- Mrs H could pay the remaining balance she owed D to them and then Capital One would refund her the money she paid for repairs; or
- Capital One would give Mrs H the cost of the repairs less the amount still owed to D.

Capital One explained this was to protect Mrs H from any potential legal action from D.

Mrs H brought her complaint to our service and said she wasn't satisfied with the resolution offered. Our investigator reviewed the complaint and found the resolutions offered by Capital One to be fair, so the complaint was not upheld.

Mrs H did not agree and asked for a final decision. Mrs H said she cannot believe that D should be paid anything and is concerned they might do this to other people. 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.

I would like to start by saying that I have provided a brief summary of the events that occurred above. I intend no discourtesy by this and can assure both parties that I have taken all the information provided into consideration when reaching a decision on this complaint. In this decision, I'll concentrate my comments on what I think is relevant. If I don't comment on a specific point, it's not because I've failed to consider it, but because I don't think I need to

comment in order to reach a fair and reasonable outcome. Our rules allow me to do this and this reflects the nature of our service as a free and informal alternative to the courts.

In this particular complaint, I am not required to make any findings about D or the work they did. So, I will not be providing a response to Mrs H's concerns about how D is treating customers. But rather I will look at whether Capital One has treated Mrs H fairly and reasonably when considering her payment dispute, taking in to account the information and evidence it had at the time. As Capital One has already accepted the claim under Section 75 CCA and this is not in dispute, I find the only matter for me to consider in this decision is whether the resolutions offered by Capital One to settle the payment dispute are fair.

The Consumer Rights Act 2015 provides a list of ways in which to put things right when a contract has been breached. In this case, as a repair has already taken place, Capital One has offered to return the cost of that repair to Mrs H. This is a reasonable starting point. This is on the condition that Mrs H pay the balance owed on her contract with D to minimise the risk of legal action from D. I find this to be a reasonable resolution, and I'll explain why.

Mrs H has confirmed that she has paid half of the amount owed to D, and is unwilling to pay the rest. Mrs H also confirmed to Capital One that she had a standoff with D about the final payment, with D having been quite aggressive about wanting final payment. D attempted to compromise by offering to return for a further repair and expecting the final payment after that attempt to repair had taken place. However, Mrs H did not want a further repair and contracted with another company to conduct the repairs.

I don't have a copy of the terms and conditions of the arrangement with D, so the potential ramifications of non-payment in this particular arrangement are not clear. However, we can take a common-sense approach to this in that D potentially could take action against Mrs H for non-payment of her invoice with them after they have completed the contracted works. Especially since it offered a further repair as a resolution which Mrs H did not take them up on. I appreciate and understand why Mrs H did not want D to return to her property for further works, but that does not make a difference concerning potential action

When Mrs H entered into the contract with D, she went into it knowing the full amount she had to pay for services rendered. Capital One's offer allows two options for her to fulfil payment under her contract with D, but also ensures that she does not pay anything further than the amount she contracted to pay as it is covering the cost of repair. This means that Mrs H will only have paid the amount she originally contracted to pay and will not be at risk of potential legal action.

To look at this another way, Mrs H is unhappy because she either wants to be refunded the amount she paid to D or wants a refund of what she's paid for repairs. Either of these suggestions would in fact, leave her better off than she was before which is not the aim here. If Mrs H would like to keep to only having paid half the invoice amount to D then I would not recommend that Capital One refund her the cost of the repairs, which would effectively mean that Mrs H was accepting a price reduction as a resolution to her concerns about D. A price reduction is also a reasonable resolution to a breach of contract however D would have to agree to the price reduction for this to work, otherwise it could still pursue her for the remaining balance.

Mrs H has said that there has been some damage which still needs to be repaired. I can't see that Mrs H provided Capital One with details, evidence and quotes for repair for the remaining issues, so I don't think it has done anything wrong by only offering to pay for repairs she has already had done. Overall, considering all of the above I find that Capital One has provided Mrs H with reasonable options to settle this claim. So, I don't intend to direct it to do anything further.

**My final decision**

My final decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs H to accept or reject my decision before 10 July 2025.

Vanisha Patel  
**Ombudsman**