

The complaint

Mr K complains that Capital One (Europe) plc defaulted his credit cards and sold the debts to a debt collection agency. Mr K believes the debts should be written off because they have been outstanding for more than 6 years.

What happened

Mr K held two credit card accounts with Capital One.

The card ending 6709 was defaulted on 23 April 2018 with a balance owed of £721.00. On 21 February 2019 the account was sold to Lowell.

The card ending 6140 was defaulted on 16 April 2018 with a balance owed of £675.03. On 21 February 2019 the account was sold to Lowell.

Mr K made a complaint to Capital One on 5 November 2024. He disputed the debts and said they should be written off as more than 6 years had passed.

Capital One didn't uphold the complaint. It said it had the right to sell unpaid defaulted accounts and it was unable to recall the debts from Lowell. Capital One explained to Mr K that as 6 years had passed since the accounts defaulted, the defaults were no longer visible on his credit file. It said that if there was any other information showing on his credit file in relation to the accounts, he may wish to consider adding a Notice of Correction to his credit file which would allow him to explain any mitigating circumstances which led to the adverse information being reported. Capital One explained that Mr K would need to contact the credit reference agencies to add a Notice of Correction.

Mr K remained unhappy and brought his complaint to this service.

Our investigator didn't uphold the complaint. She said that Capital One hadn't made any errors when it defaulted the accounts. She also said that the terms and conditions of the account allowed Capital One to sell an account at any time after the customer stops paying the contractual repayment on time. The investigator said she was unable to comment on the conduct of Lowell or on whether the debt was enforceable.

Mr K didn't agree so I've been asked to review the complaint.

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 know it will disappoint Mr K, but I agree with the investigators opinion. I'll explain why.

I've read and considered the whole file, but I'll concentrate my comments on those points which are most relevant to my decision. If I don't comment on a specific point, it's not because I've failed to take it on board and think about it, but because I don't think I need to comment on it in order to reach what I think is the right outcome.

I've reviewed the history of both accounts. I can see that both accounts fell into arrears in 2017. Capital One sent Notice of Sums in Arrears letters to Mr K for each account in November 2017, January 2018 and March 2018. A Notice of Default was issued for both accounts in March 2018. The Notice of Default required Mr K to repay the arrears in full within 28 days. No payments were received from Mr K, so the accounts were defaulted. Capital One issued a Statement of Default for each account in April 2018.

Having reviewed the history of the accounts and the Notices which Capital One sent to Mr K, I haven't found anything to suggest that Capital One made an error when it defaulted the account, or that it treated Mr K unfairly or unreasonably.

Mr K has complained that Capital One sold the debts to a debt recovery agency. I've reviewed the terms and conditions of the credit agreement. These state that Capital One can sell an account at any time after the contractual repayments are no longer being made on time. In this case, Mr K hadn't been making his contractual repayments on time and both accounts had fallen into arrears. I'm therefore satisfied that Capital One acted in line with the terms and conditions of the account when it sold the debts to Lowell.

When Capital One sold the debts to Lowell, it relinquished legal ownership of the debts. So, Capital One no longer have any interest in the debts or any rights in relation to the debts.

I appreciate that Mr K is unhappy because Lowell has recently contacted him about the debts. I'm unable to comment on Lowell's actions because for the purposes of this complaint I'm only looking at what Capital One has done. If Mr K thinks that Lowell has made an error or treated him unfairly, he will need to raise a complaint with Lowell.

Mr K has made some points about limitation and enforceability. Because Lowell is the owner of the debts now, these are matters which Mr K will need to raise with Lowell directly.

Taking everything into account, I'm unable to find any evidence that Capital One has made an error here or treated Mr K unfairly or unreasonably. I'm unable to uphold the complaint.

My final decision

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

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr K to accept or reject my decision before 11 April 2025.

Emma Davy
Ombudsman