

The complaint

Mrs O complains that Zopa Bank Limited (Zopa) haven't been sufficiently supportive of the financial difficulties she's experienced due to ill health.

What happened

Mrs O contacted Zopa to discuss arrears that had built up on her credit card account. She subsequently referred her complaint to this service as she was unhappy that Zopa weren't more supportive of the difficulties she faced and particularly of the health issues she suffered from.

Our investigator reviewed the actions that Zopa had taken and thought they had been reasonable, but as Mrs O continued to be dissatisfied her complaint has been referred to me, an ombudsman, to make a decision.

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 Mrs O, but I'm not upholding this complaint. I'll explain why.

Where the information I've got is incomplete, unclear, or contradictory, as some of it is here, I have to base my decision on the balance of probabilities.

I've read and considered the whole file, but I'll concentrate my comments on what I think is relevant. If I don't comment on any 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.

When a consumer is in financial difficulty, we would expect a business to be sensitive and supportive and to show some forbearance. I think that's what Zopa have done here. They offered some breathing space during which no interest would be charged on the account and during which Mrs O wouldn't be contacted about the arrears. They also agreed a repayment plan with Mrs O to enable her to make affordable repayments towards the debt she had with them. I don't think they were unreasonable to refuse to provide a longer term on that repayment plan as I can understand they would want to regularly review Mrs O's financial position to ensure her situation hadn't changed. And I can understand that the length of the term they would offer would depend on the financial information Mrs O was able to provide them about her income and expenditure. Only when in receipt of that information could the bank make a fair assessment of Mrs O's ability to repay her debt consistently.

Mrs O has suggested that Zopa have discriminated against her under the Equality Act 2010. Only a court can decide that, but I can consider if Zopa have treated Mrs O fairly given the health conditions she says she informed them of. I think Zopa were fair as they offered several adjustments to help Mrs O recover the arrears position.

When a consumer seems unlikely to be able to repay a debt in a reasonable period of time and the account is in significant arrears, as was the case here, we wouldn't find it unreasonable for a business to default and terminate the account. Not to do so would be likely to prolong the impact the debt had on the consumer. So, I don't think Zopa were unreasonable to default the account and as they are obliged to report account activity accurately they would be required to report that default to Mrs O's credit file.

My final decision

For the reasons I've given above, I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs O to accept or reject my decision before 30 April 2025.

Phillip McMahon
Ombudsman