

The complaint

Mr M complains that Capital One (Europe) plc hasn't updated the credit reference agencies to show that his account is closed.

What happened

In 2021, Mr M says he asked for his Capital One credit card account to be closed. He said there was a credit balance on the account of £2 at the time. On checking his credit report, Mr M says the account is still showing as open and active. And when he contacts Capital One, it confirms the account has been closed.

To put things right, Mr M would like his credit report updated to reflect that the account has been closed. And he's like compensation for the distress and inconvenience caused to him.

Capital One responded to Mr M's complaint and upheld it. It explained that Mr M's account was closed on 22 September 2021. However, it said that the credit balance on the account and subsequent credit file reporting could have been due to an oversight on its part, so it upheld the complaint and credited Mr M's account with £35. Capital One said that it should have explained to Mr M at the time that the account would need to have a zero balance when the closure is processed, but the account was in £2 credit when the closure was processed.

An Investigator considered what both parties had said, but they felt the £35 Capital One had already sent to Mr M was enough to put things right.

Mr M didn't agree with the Investigators view. He said that he spent hours trying to sort the matter out and was passed to different credit reference agencies as a result of its error. He said that he was repeatedly provided with the wrong information by Capital One.

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.

Having considered everything available to me, I don't uphold Mr M's complaint.

I can see that Mr M requested the account was closed, and confirmation of the closure was sent to him on 22 September 2021. Capital One has confirmed that as a result of an oversight on its part, it shouldn't have confirmed the account was closed because there was still a credit balance showing on the account. So, I accept it made a mistake here.

Capital One has provided this Service a copy of what it is reporting to the credit reference agencies. I can see that it reported the account as having been 'settled' in February 2025, and it shows that prior to this, the account was showing as active. So, I'm satisfied that

Capital One is now reporting the account as having been closed, which should put right the information on his credit report.

I agree that Capital One could have done more at the time it received Mr M's request to close the account, to explain to him that the balance needed to be zero – and it was showing in credit. I also agree that Capital One could have done more to explain to Mr M sooner that the credit balance was what was preventing the account from closing, and this being reported to the credit reference agencies. So I do think Capital One needed to take some action to compensate Mr M.

It's seldom straightforward to decide on appropriate levels of compensation for non-financial losses. Not least because the impact on the consumer will be, by its very nature, subjective and difficult to quantify. In this case, I have considered the impact on Mr M when he wasn't provided with clear information about the closure and the reporting. When deciding on fair compensation, I have taken this into account, together with our published approach to compensation for distress and inconvenience, which can be found on our website. Having done so, I'm satisfied that the £35 Capital One has sent to Mr M already is enough to compensate him here. I say this because while I accept that Capital One could have done better, and this understandably caused Mr M some frustration and inconvenience in having to contact it to sort the matter out; I haven't seen that he's been impacted in other ways as a result of the account remaining open and being reported to the credit reference agencies. So I'm persuaded the £35 is enough to put things right in the circumstances.

My final decision

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

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr M to accept or reject my decision before 5 August 2025.

Sophie Wilkinson
Ombudsman