

The complaint

Mr M complains that Capital One (Europe) plc removed his ability to use the mobile app which meant he was unable to make payment. This resulted in credit markers being placed on his credit file.

What happened

Mr M holds a credit card account with Capital One.

Mr M entered into a Debt Management Plan (DMP). He's told this service that as well as making payments to Capital One via the DMP, he made manual payments via the mobile app to make up the minimum payment.

On 4 December 2024 Capital One wrote to Mr M advising him that because he was in a DMP, interest and fees would be frozen on the account. The letter also advised Mr M that his account was permanently restricted and that he wouldn't be able to use the card again in the future.

Mr M was no longer able to make payments via the mobile app. Capital One recorded credit markers on his credit file.

Mr M complained to Capital One. Capital One acknowledged that it should have clearly communicated that it would be removing mobile app access as part of restricting Mr M's account. It apologised for any inconvenience caused and offered compensation of £30. In relation to Mr M's credit file, Capital One said it had reported the credit markers correctly.

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

Our investigator didn't uphold the complaint. He said that Capital One had followed their process by restricting the account and removing access to the mobile app.

Mr M didn't agree. He said he'd made every effort to make up the minimum payment by topping up the payments from his DMP with manual payments via the mobile app. Mr M said the impact on his credit file was significant and he didn't think £30 compensation was enough.

Because Mr M didn't agree 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 M but I agree with the investigators opinion. I'll explain why.

I've reviewed the letter that Capital One sent to Mr M dated 4 December 2024. This states that the account has been permanently restricted.

Mr M has told this service that he'd been using the mobile app to make manual payments to top up the payments made via the DMP so that he made the minimum payment each month.

When Mr M's access to the mobile app was restricted, he was unable to make these additional payments. This led to a credit marker being placed on his credit file because he didn't make the minimum payment each month.

Capital One has acknowledged that it could have made things clearer in its letter. It has apologised to Mr M and paid compensation.

Having reviewed the letter I agree that Capital One should've been clearer and explained to Mr M that he would no longer be able to use the mobile app.

However, I don't agree that the restriction of his account left Mr M with no other options for making payments. I say this because there were other ways in which Mr M could have made payments such as by phone or by bank transfer. Mr M would've been aware that he wasn't able to make payments via the mobile app to top up the payment from his DMP and it was up to him to use another method if he wanted to continue topping up to the contractual minimum payment. It was the failure to make the additional manual payments which led to the credit marker being applied.

Looking at what has happened I'm unable to say that Capital One has made an error by restricting Mr M's account. This restriction is in line with Capital One's process when a customer is in a DMP. As I've already said, I agree that Capital One could have been clearer in its letter dated 4 December 2024. But ultimately it was Mr M's responsibility to make the minimum monthly payment if he wanted to avoid any impact on his credit file.

In the circumstances I think the compensation paid is fair. I'm unable to ask Capital One to amend Mr M's credit file because Capital One is under an obligation to report accurate information to the credit reference agencies. In this case, the contractual minimum payment wasn't made and Capital One has correctly reported this.

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 M to accept or reject my decision before 10 August 2025.

Emma Davy
Ombudsman