

The complaint

Mr K complains that Capital One (Europe) plc unfairly recorded adverse information against his credit file following a period of 'breathing space' applied to his credit card account.

What happened

Mr K holds a credit card account with Capital One. In early 2025, he spoke to Capital One following an incident at work, to discuss his payments. This included making his next payment, as well as discussing the due date on his account. His due date was subsequently amended to the 7th of each month.

During the call the advisor established that due to the incident, whilst Mr K was managing his priority bills, he had agreed that month to make reduced payments towards his rent. The advisor, as a result, signposted Mr K towards some organisations that may be able to provide financial support. She also offered Mr K 60 days' breathing space on his loan.

Mr K accepted the breathing space offer and was given a two-month period where he would not be chased for any payments, and no interest or fees would be charged on his account for the 60 days that followed the call. Mr K accepted.

Several months later, Mr K contacted Capital One and complained. He said that he had seen that missed payment markers had been reported against his credit file for the months the breathing space had been applied. He said he was not told this would happen, and it was having adverse effect on him and his ability to obtain credit. He'd recently had a loan application declined as a result.

Capital One responded. They said the breathing space would prevent interest and charges being applied to his account for 60 days, and prevent calls being made, chasing him for payments. But they said that whilst the 'breathing space' itself would not be recorded with credit reference agencies (CRAs), late or missed payments during this time would. So, they were satisfied they hadn't treated Mr K unfairly. Unhappy with Capital One's response, Mr K brought his complaint to our service.

An investigator considered Mr K's complaint but didn't recommend it be upheld. In summary, he said he was satisfied that both the advisor he spoke with, and the letter that was subsequently sent to Mr K, explained that while the break itself would not be recorded with CRAs, any subsequent late payments would.

But Mr K remained unhappy. So, as the parties remain in disagreement, the case was 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.

While I know this will come as a disappointment to Mr K, I agree with the investigator here for broadly the same reasons.

I've listened to the call Mr K made to Capital One, which covered various topics, such as the incident he had at work, his payment due dates, and payment arrangements. During this call, I can see that Mr K was offered what Capital One referred to as 'breathing space' on Mr K's account.

Capital One explained that the breathing space would be applied for 60 days. And that during this time, Mr K wouldn't receive any phone calls or requests for payments from Capital One. He also wouldn't be charged any interest or fees, as they would be frozen for the upcoming 60 days.

They then explained that the breathing space wouldn't show on Mr K's credit file, but if he did not meet his monthly minimum payments, they would be reported as a missed payment on his credit file. They also explained that he would not be able to use his account during this time. Mr K agreed to this offer.

Following the call, a letter was sent to Mr K setting out the terms of the breathing space. Capital One explained in the letter, amongst other things, that:

"We won't report this break to credit reference agencies, but this won't change how we report things like late payments."

I can also see that midway through the break, a further letter was sent to Mr K, setting out the same information as above.

I understand that Mr K's impression of this breathing space, is that he would not need to make any payments during this time, and that his credit file would not be negatively impacted. But unfortunately, that was not the case

My role here is to determine whether or not Capital One treated Mr K fairly. Our approach as a service to matters such as this, is, that 'breathing space', when applied to an account, will usually stop collections activity, but it won't stop businesses from recording any missed payments to credit reference agencies. This is because businesses are obliged to provide a factual report of a customer's account history to CRAs.

I also need to take into account what Mr K was told. Having done so, I can see that in both the call he made to Capital One, and in both the letter agreeing to the breathing space; and the subsequent letter that was sent half way through the breathing space being applied, that it was made clear to Mr K that any late payments would continue to be reported to credit reference agencies. Therefore, I can't reasonably conclude that Mr K wasn't suitably informed.

So, while I appreciate this may come as a disappointment to Mr K, and I know this won't be the outcome he's hoping for, for the reasons set out above, I'm satisfied that Capital One continued to have an obligation to report late or missed payments to CRAs during the period of breathing space they applied, and that Mr K was made adequately aware of this both during the call, and in the written communications that followed.

So, for the reasons set out above, I won't be asking Capital One to do anything further.

My final decision

My final decision is that I do not uphold Mr K's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr K to accept or reject my decision before 9 January 2026.

Brad McIlquham
Ombudsman