

The complaint

Mrs H is unhappy that Capital One (Europe) plc didn't close one of her accounts when she asked them to but instead merged her two accounts together.

What happened

Mrs H had two Capital One credit accounts, one with a £450 credit limit and the other with a £1,000 credit limit. In September 2023, Mrs H cleared the balance on the second of these accounts and called Capital One to close the account. However, the Capital One agent she spoke with persuaded her to merge her two accounts together, which had the effect of combining the available credit limits. As such, rather than being left with one open account with a credit limit of £450, Mrs H was left with one open account with a credit limit of £1,450.

Following this, Mrs H fell into financial difficulty and didn't meet the minimum payment obligations on her account. This led to her account being defaulted by Capital One. Mrs H wasn't happy about this and felt that she would have been able to manage the account if the credit limit had been £450, as she'd wanted, rather than £1,450. So, she raised a complaint.

Capital One responded to Mrs H but didn't feel that they'd done anything wrong by offering to merge her credit accounts or by later following the collections and recoveries process that they had when Mrs H fell into arrears on the account. Mrs H wasn't satisfied with Capital One's response, so she referred her complaint to this service.

One of our investigators looked at this complaint. But they didn't feel that Capital One had acted unfairly towards Mrs H and didn't uphold the complaint. Mrs H remained dissatisfied, so the matter was escalated to an ombudsman for a final 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.

Capital One have explained that they no longer have a recording of the call that took place in September 2023, when Mrs H's two accounts were merged, because of the length of time that's elapsed since that call. This is unfortunate, but it doesn't seem unreasonable to me, given that the call took place approximately two years ago.

Capital One do have system notes that record that call, but these are very brief and state simply that Mrs H called Capital One to consolidate her accounts into one account. Mrs H feels that these call notes aren't accurate and has said that what actually happened was that she called in to close her account with the £1,000 credit limit but was persuaded by Capital One's agent to merge the two accounts instead.

I have no reason to doubt Mrs H's testimony in this regard, and I'm happy to accept that Capital One's agent did offer to merge her accounts instead of simply closing one. But even accepting that things happened as Mrs H has said they happened, I don't think that Capital One acted unfairly here.

This is because I don't feel that it was unfair or unreasonable for Capital One to offer an account consolidation to Mrs H, which by Mrs H's own admission, she accepted. As such, it doesn't seem that there was any compulsion on Mrs H to have consolidated her accounts, and it seems to me that Mrs H was presented with a choice, the result of which she now unfortunately regrets.

It must be remembered that the events in question here took place two years ago. And not only could Mrs H have declined Capital One's offer of account consolidation at the time it was made, and insisted that her account be closed, but she could also have called Capital One at any time after her accounts were consolidated and voluntarily reduced the credit limit from £1,450 to £450, as she had initially wanted.

Mrs H has explained that she has mental health concerns that Capital One were aware of. I'd like to confirm to Mrs H that I've taken this into consideration, and I don't want to seem dismissive of Mrs H's mental health in any way.

But even in consideration of Mrs H's mental health, it doesn't seem unfair or unreasonable to me that Capital One would give Mrs H a choice as to whether she wanted to consolidate her accounts instead of simply closing one of them. And, as I hope I've been able to explain, while I appreciate that Mrs H may now regret the choice that she made to consolidate her accounts, rather than close one of them, that doesn't make Capital One's offering her that choice unfair.

Unfortunately, after choosing to consolidate her accounts, so that her credit limit remained at £1,450, Mrs H did later fail to meet her contractual repayment obligations on the account such that Capital One undertook a collections and recoveries process that resulted in the defaulting of the account. But upon review I feel that Capital One followed that recoveries process fairly, given the arrears that accrued on the account. And so, I don't feel that Capital One should be instructed to take any alternative action in this regard.

All of which means that I don't feel that Capital One have acted unfairly towards Mrs H as she feels is the case here, and it follows from this that I won't be upholding this complaint or instructing Capital One to take any action. I realise this won't be the outcome Mrs H was wanting, but I hope that she will understand, given what I've explained, why I've made the final decision that I have.

My final decision

My final decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs H to accept or reject my decision before 16 October 2025.

Paul Cooper
Ombudsman