

The complaint

Mr D is unhappy that Capital One (Europe) Plc applied a default to his credit file.

What happened

Mr D held a credit card with Capital One; the account was opened in June 2021, and it ultimately defaulted in January 2022 with Mr D having not repaid the balance. Mr D's account was sold to a third-party debt purchaser in 2022.

In 2025, Mr D complained to Capital One. He said, in summary, that the default had been applied unfairly; that's because he'd never received the default notice – Capital One had written to an old address – and he'd suffered with some health issues. Alongside that, Mr D had been through two periods of incarceration. All of which, combined, had left him unable to manage his financial affairs.

Capital One didn't uphold Mr D's complaint. It said that the default had been applied fairly, and that it had written to the only address it held for Mr D – which he'd never asked it to change. Capital One said it had tried to work with Mr D, providing breathing space and a hold on interest and charges, but his debt had never been repaid. So, ultimately, it had been left with little choice but to default the account.

Mr D remained unhappy, so he contacted this Service and asked for an independent review. An investigator here reviewed what had happened; having done so, they didn't think Mr D's complaint should be upheld. They said:

- Capital One had, clearly, tried to work with Mr D. In the end, it had applied breathing space – which places a hold on interest and charges – indefinitely; it had also worked out a repayment plan with Mr D.
- Capital One had written to the only address it held for Mr D, which had been supplied in his application. There was no evidence to suggest Mr D had ever asked for his address details to be changed; nor was there anything to suggest that Capital One was aware of any period of incarceration.
- It wasn't unreasonable then for Capital One to send letters to that address, including the Notice of Default. Even if Mr D said he didn't receive them, Capital One was only required to send them – which it had done.

- In any event, even if Mr D *had* received the Notice of Default, it's unlikely he'd have been able to prevent it. He'd explained that his income was unstable and, as such, it couldn't be said that it's more likely than not that the outstanding debt could've been repaid.
- In conclusion, while sorry to hear about Mr D's circumstances, it couldn't be said that Capital One had done something wrong here.

Mr D disagreed. He thought Capital One had breached certain legislation; that it had acted disproportionately and hadn't taken into account the vulnerable situation he was in at the time. So, he asked for an Ombudsman's decision.

As no agreement has been reached, Mr D's complaint has been 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.

Before I address the merits of Mr D's complaint, I wanted to say that I'm left in no doubt about his strength of feeling over the matter; it's clear this means a great deal to him, he's clearly been through a difficult time, and I do truly hope that his circumstances have improved. I also thought it important to explain, upfront, that I haven't commented on each and every point that's been raised here; I have read and considered all that's been provided, but I've focussed on the crux of the matter. I mean no discourtesy in doing so, my approach simply aligns with our purpose in determining complaints quickly and with minimum formality.

The crux of this matter, I think, can be summed up as follows: Mr D thinks Capital One's application of a default was unfair and disproportionate given his circumstances; on the other hand, Capital One considers itself to have fairly followed due process. So, I've looked at the events which led to a default being applied.

From what I've seen, after Mr D had opened his credit card, he didn't make any repayments towards the balance he'd accrued. On the face of it then, it's not surprising that Capital One took action – sending notices of sums in arrears, and a default notice, and then defaulting and selling the account. Mr D says his circumstances were such that Capital One should've done things differently; I'm afraid, though, that I don't see things the same way.

To explain, there's no doubt in my mind that Mr D was going through a very difficult period in his life but, based on what I have here, I do think Capital One tried to work with him to repay the debt in a sustainable and achievable way. It applied its informal breathing space – in fact, it did so indefinitely – and it tried to agree a repayment plan with Mr D. That certainly shows a willingness to offer forbearance and assistance, which is just what I'd believe it should do in such circumstances. I wouldn't though, broadly speaking, expect measures like that to continue perpetually – particularly if no repayments, even for nominal amounts, are being made.

In terms of the Notice of Default – and other letters it was required to send – Capital One wrote to the only address it had on file for Mr D; that's not inherently unreasonable. I know Mr D says he only used that address out of necessity, and I understand why, but I can't conclude that Capital One did something wrong by using it. That address is, ultimately, where Mr D told Capital One he lived.

I'm aware that Mr D says he tried changing his address details once his access to that residence had been restricted, but he couldn't provide another address at the time given his circumstances. There's no record in Capital One's contact notes about such a conversation but, regardless, I am truly sorry to hear that Mr D was in such a situation; having said that, even if I take it on face value that Mr D did try and change his address, if he couldn't provide new details then I think Capital One would've had very little room for manoeuvre in terms of changing it.

I entirely accept Mr D's point that he would've preferred the Notice of Default to be sent by email, but Capital One is under no obligation to do that. While it seems that Capital One did send some correspondence about his account by email, certain letters – like a Notice of Default – are required to be sent by post; Capital One did that, and I can't therefore conclude that it did something wrong in how it administered that process. Mr D may not have received the letter, but I'm satisfied nonetheless that Capital One met its obligations – and non-receipt doesn't mean a default can't be applied.

In any event, whether Mr D received certain letters or not, or even if the Notice of Default had been sent by email, I think he was aware of the situation with his account. As I understand it, he wasn't incarcerated at the time these issues were ongoing, and he'd contacted Capital One about breathing space and so on. It's very likely then that Mr D would've known he hadn't made any repayments; and it's not unreasonable, in my view, to say that he ought really to have been aware too that consequences would likely follow as a result of not making repayments. Moreover, I'll add here that even if Mr D *had* received the Notice of Default, I don't have persuasive evidence to suggest that he'd have been able to repay the necessary sums to avoid what ultimately happened. On balance then, I'm not persuaded that the route Mr D's credit card account took would've been any different even if he'd received Capital One's letters.

With all of that in mind, while I know this won't be the outcome Mr D is hoping for, I don't find that Capital One acted unfairly or unreasonably here. Nor do I consider it to have breached any legislation such as Mr D has referenced. On balance, my view is that Capital One engaged with Mr D best it could to assist him and help with repayment of what he owed; subsequently, it took action that it's entitled to take in the circumstances of non-repayment. There's nothing fundamentally unreasonable in that.

It follows that although Mr D's situation was no doubt a difficult one, and I entirely accept that he's willing to repay what he owes, I can't fairly say that Capital One did something wrong here. As such, I don't uphold this complaint.

My final decision

My final decision is that I don't uphold Mr D's complaint. Under the rules of the Financial Ombudsman Service, I'm required to ask Mr D to accept or reject my decision before 11 November 2025.

Simon Louth
Ombudsman