

The complaint

Miss M complains that Capital One (Europe) plc unfairly defaulted her credit card account.

What happened

Towards the end of 2024 and into 2025, Miss M was going through some financial difficulties as a result of some issues she was having with her employment. She says she still made monthly repayments of around £30, as arranged between herself and Capital One. However, despite her keeping up with the agreed repayment amount, Capital One defaulted her credit card account.

Capital One responded to Miss M's complaint. It said it had explained to Miss M the consequences of not making the minimum payment each month, and because the £30 she was paying wasn't enough to cover the minimum amount due, these were reported as missed payments to the Credit Reference Agencies (CRAs). It said because she'd missed six payments in a row, it sent her a default notice on 12 June 2025, which provided her with 30 days to contact it and set up a repayment plan for the arrears. But because a payment wasn't received, the account defaulted on 14 July 2025.

An Investigator considered the evidence provided by both parties, but they didn't uphold Miss M's complaint. They explained that where the minimum payment hadn't been maintained, arrears would continue to accrue on the account and could lead to a default. The Investigator felt that that Miss M had been provided with the correct information during a call about how breathing space could affect her, and that reduced repayments could lead to missed payment markers. The Investigator also referred to the notice of default letter sent to Miss M, which provided her with a clear warning the account could default, and what she could do to prevent the default. Ultimately, the Investigator didn't think that Capital One had acted unfairly or unreasonably.

Miss M didn't agree with the Investigator's view. I have summarised her main points below:

- It isn't correct that she missed six payments. She only missed one payment in July 2025.
- Since she has been in breathing space, she has made monthly repayments of £30.
- The dates in the view aren't correct – Miss M states that she didn't get the letters from Capital One as the Investigator had said. She added that when she got Capital One's email, she contacted them immediately.
- The view isn't fair and doesn't take her situation into consideration.

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 Miss M's complaint. I appreciate this decision will come as a disappointment to her; however, I will explain how I have reached my outcome below.

Before I do that, I want to make it clear that I have read and taken into account all of the information provided by both parties, in reaching my decision. If I've not reflected something that's been said it's not because I didn't see it, it's because I didn't deem it relevant to the crux of the complaint. This isn't intended as a discourtesy to either party, but merely to reflect my informal role in deciding what a fair and reasonable outcome is. This also means I don't think it's necessary to get an answer, or provide my own answer, to every question raised unless I think it's relevant to the crux of the complaint. I say this, as I'm aware I have summarised Miss M's complaint in less detail than she has.

The Information Commissioner's Office (ICO) provides guidance on when an account should default. This is generally when it is between three to six months in arrears. Arrears build on the account where the contractual minimum repayment isn't made.

In this case then, I can see that Miss M had agreed to pay Capital One £30 a month – I can see she generally kept up with that repayment, except for when she missed a payment in July 2025, and it looks like she might have missed a payment in May 2025 too. I also agree with Miss M's comments that she hadn't missed six payments. But even while Miss M was making repayments of £30, she was making repayments for less than the minimum amount due - which meant that arrears continued to accrue on the account each month. I have listened to the call Miss M had with Capital One when it agreed for her to pay £30 a month, and I can hear that it was explained to her that making less than the minimum would mean that arrears would continue to build on the account, and that the account could default.

Capital One had been receiving repayments from Miss M of £30 since January 2025, which as I've explained was less than the contractual amount due. Therefore, I'm satisfied that the account was in arrears of between three to six months when the account defaulted in July 2025.

Capital One is required to send a notice of default before it takes action to default an account. I can see it sent this to Miss M's address on 12 June 2025. The default notice included everything I'd expect it to, as well as what Miss M could do to prevent the account from defaulting, and the date she'd need to take this action. So I'm satisfied Capital One did what it needed to here.

I note Miss M says she didn't get the default letter from Capital One. I can see that it was correctly addressed so I don't know why Miss M didn't receive it. But given that I've seen a copy of the letter, I'm more persuaded it was likely sent to Miss M. And I can't fairly hold Capital One responsible for the letter not having been received after it was sent.

Even if Miss M had received the letter, I still think it likely the account would default. Like I said, Capital One is required to default an account when it is between three to six months in arrears, as is the case here. And in order for Miss M to have prevented the default, she would need to pay the arrears of £268.24 by 10 July 2025. Miss M didn't make a payment at all in July 2025 (when the account defaulted). So, I find it unlikely that she would have been able to pay off the arrears to prevent the account defaulting. Therefore, I don't think Miss M having not received the letter would have made much difference to the outcome here. And in any event, as I've explained above, Capital One has met its obligations by sending the letter to the correct address. I should also add here that Capital One didn't have to send a default notice by email – it is satisfactory for it to have sent this by letter, as it did.

I note Miss M's comments in that the situation with her employment made it difficult for her to keep up with repayments. And I can completely understand this – clearly Miss M has been in a difficult financial situation, and I can see that she has been doing what she can to maintain repayments to her credit card account with Capital One. But Capital One are required to report accurate information to the CRAs. And it is accurate to report that Miss M hadn't been maintaining the contractual minimum repayment due; and it is accurate to report that the account was in a position of default. I can understand why the impact on her credit file would be upsetting for Miss M, given her difficult situation. But I'm required to decide if Capital One has done anything wrong, and for the reasons I've explained here, I'm not persuaded that it has.

My final decision

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

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss M to accept or reject my decision before 3 March 2026.

Sophie Wilkinson
Ombudsman