

## The complaint

Mr H complains about the decision made by Capital One (Europe) plc (“Capital One”) to terminate a credit agreement he held with them. Mr H also complains about their communication and handling of the matter.

## What happened

Mr H held a credit card account with Capital One, which was taken out in April 2019.

From around September 2024, Mr H began to miss the minimum payment amount required under the agreement at each repayment date. Capital One sent Mr H regular correspondence informing him that payments had been missed and the next steps required.

Towards the end of November 2024, Mr H set up a repayment plan with Capital One, to repay about £16 every month for the next four months. The first payment was due near the end of December 2024.

Mr H didn't make the December 2024 repayment and Capital One got in touch and informed him that the arrangement had been broken.

In January 2025, Mr H set up and arranged another repayment plan and agreed to repay £20 per month for the next four months. The first repayment due towards the end of January 2025 was successfully made to Capital One.

In February 2025, Capital One agreed to a breathing space on Mr H's account, following a request made by a third-party debt advice company, acting on behalf of Mr H. As breathing space was put in place, Mr H's repayment plan set up in January 2025 was cancelled.

In April 2025, a Default Notice was sent to Mr H, explaining that the credit agreement held with Capital One would be terminated if the account wasn't brought up to date by 9 May 2025.

Mr H complained to Capital One in June 2025 as he said they had blocked the use of his credit card without notifying him. Mr H said he only noticed when he attempted to use the credit card and it was declined.

Mr H said that when he contacted Capital One, he was informed he had missed three repayments that were due on the account. Mr H said he was then given inconsistent information on how many missed payments there were as he was sometimes told it was four or five payments missed.

Mr H also complained that Capital One kept sending correspondence to him while his account was placed on a breathing space, and he believed this was something they weren't allowed to do.

Capital One issued their final response to Mr H, where they explained that they weren't upholding his complaint. In summary, they explained that they didn't think they acted

wrongfully in what correspondence they sent to him during the breathing space. And they reiterated what they said they had previously told Mr H and that they didn't think they had done anything wrong by placing a permanent restriction on his credit card account.

Unhappy with Capital One's response, Mr H referred his complaint to our service.

Our investigator issued his view where he explained that Capital One didn't need to do anything further and that he didn't uphold Mr H's complaint.

Mr H disagreed. He explained that he thought he correctly brought his account up to date by 9 May 2025. And so, the complaint 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.

Having done so, I'm not upholding this complaint and I'll explain why below.

I'm aware I have summarised events and comments made by both parties very briefly, in less detail than has been provided, largely in my own words. No discourtesy is intended by this. In addition, if there's something I've not mentioned, it isn't because I've ignored it. I haven't. I'm satisfied I don't need to comment on every individual point or argument to be able to reach what I think is a fair outcome. Our rules allow me to do this. This simply reflects the informal nature of our service as an alternative to the courts.

What I need to consider is whether Capital One acted unreasonably or unfairly in blocking Mr H the use of his credit card and whether they acted unfairly in how they communicated with Mr H while his account was placed on a breathing space. I also need to consider whether inconsistent information was given to Mr H when he contacted them in June 2025, and the impact of this, if any.

#### Did Capital One wrongfully block the use of Mr H's account he held with them?

In February 2025, Capital One agreed to a breathing space on Mr H's account, following a request made by a third-party debt advice company, acting on behalf of Mr H. As breathing space was put in place, Mr H's repayment plan set up in January 2025 was cancelled.

In April 2025, a Default Notice was sent to Mr H, explaining that he needed to pay £95.39 and that the payment must reach his account by 9 May 2025 to stop his account being terminated. A leaflet also supplied with the default notice said that most banks offer a faster payment service and that payments received by them before 5.30pm will reach the credit account on the same day, and those received after 5.30pm won't.

Mr H says he didn't receive this default notice. Having seen a copy of the default notice, it had Mr H's postal address listed on it and I haven't seen anything to suggest it wasn't successfully sent to him.

Mr H has supplied screenshots which he believed showed he complied with the default notice. These screenshots showed he made one payment on 25 April 2025 for £50, and another payment on 9 May 2025 for £60.37. Mr H also supplied his credit card statement he received. And the statement shows that the payment he made on 9 May 2025 hadn't been received until 11 May 2025.

Capital One has also supplied a copy of its account notes and it shows that Mr H made a payment of £60.37 on 9 May 2025. The event time was recorded as “21:44:57”.

While I appreciate what Mr H has sent here, the default notice was clear in that the payment needed to have been *received* by 9 May 2025 to stop the account being terminated. And it seems from what I have seen that Mr H made payment on 9 May 2025 *after* 5.30pm. From what I have seen, I think it is likely the payment wasn't made on time. And so, I think Capital One acted fairly and reasonably by blocking Mr H's use of the account he held with them.

#### Did Capital One wrongfully send correspondence to Mr H while his account was placed on a breathing space?

I have seen a copy of the letter that was sent to Mr H to confirm a breathing space had been applied in February 2025. Within that letter, it explained that if Mr H was to receive anything from Capital One asking to make payment while he was in a breathing space, then he could ignore it. It also explained to Mr H that certain important account information will still need to be sent out to him during this time. And it explained that his credit card couldn't be used and that arranged direct debit payments would be cancelled.

Capital One also explained to Mr H in their final response that certain regulations require them to send important information to their customers about the account – and some of these are required to be sent by post as well as by email. And so, even if there is a breathing space applied to an account, some letters still need to be sent.

While I appreciate Mr H's frustrations here and the distress it may have caused, I accept what Capital One has said and I don't think they acted unreasonably in the correspondence that was sent to Mr H when the breathing space was applied.

#### Did Capital One give inconsistent information to Mr H during a call he held with them in June 2025?

Having listened to the call that took place between Mr H and Capital One in June 2025, I accept Capital One's representative could have been clearer at times. However, I'm mindful of a few things here. It is likely Mr H ought to have been aware that there were missed repayments on his account, considering he actively put in place repayment plans earlier and requested the support of a third-party debt advice company. And I have noted that the default notice said:

*“As you haven't paid your last three or more payments...”*

So, I think this, together with the other written correspondence Capital One had sent Mr H was clear in what payments had been missed. Given the circumstances, I don't think Capital One needs to do anything in relation to this.

#### **My final decision**

For the reasons I've explained, I don't uphold this complaint. So, I don't require Capital One (Europe) plc to do anything more here.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr H to accept or reject my decision before 25 February 2026.

Ronesh Amin  
**Ombudsman**

