

The complaint

Ms B complains Zopa Bank Limited (Zopa) continued to charge her interest and late payment fees on her credit card account, even though she had repaid the balance in full.

What happened

Ms B says she made a payment into her Zopa credit card account in January 2025 to clear the outstanding balance in full. Ms B says despite this Zopa without her knowledge, continued to charge interest and late payment fees which affected her credit standing. Ms B says while Zopa have admitted its error, its offer of compensation doesn't cover the emotional stress and anxiety this has caused her and it has failed to make reasonable adjustments for her disabilities.

Ms B wants Zopa to remove any adverse information on her credit file relating to the late payment fees in 2025 and pay her appropriate compensation for the trouble and upset this has caused.

Zopa says it accepts it made a mistake when charging interest and late payment fees in 2025 and says it has apologised and provided feedback to the relevant team. Zopa says it has corrected its mistake and refunded those charges and no adverse entries are now recorded on Ms B's credit file relating to this issue and initially offered compensation of £100.

Ms B wasn't happy with Zopa's response and referred the matter to this service.

The investigator looked at all the available information and upheld the complaint. The investigator felt while Zopa had recognised it had made a mistake, its actions had caused Ms B unnecessary stress and worry and felt a further £100 in compensation was more appropriate here.

The investigator felt Zopa weren't able to change its operational model as an online bank, so it was reasonable for it to send communications electronically rather than by letter. The investigator says Zopa only became aware of Ms B's vulnerabilities at the point she complained to them, so she felt it would be unreasonable to have expected them to act on information it didn't have. The investigator concluded Zopa provided poor service and recommended a total compensation payment of £200.

While Zopa accepted the investigator's view and outcome, Ms B didn't and feels a compensation payment of £500 is fairer.

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 will also be upholding this complaint and I will explain how I have come to my decision.

I was sorry to hear of Ms B's issues here and that must have been upsetting and frustrating

for her. When looking at this complaint, as Zopa have accepted its mistake, I will now consider if the revised compensation offer of £200 it has now accepted, goes far enough.

Ms B's complaint centres around the fact Zopa's mistake in charging late fees and interest in 2025 has impacted her credit rating and caused her unnecessary stress and anxiety. Ms B also feels Zopa didn't take suitable steps to make reasonable adjustments given her vulnerabilities. Ms B has provided this service with various copies of her credit card statements, which she believes shows the pattern of how Zopa reported missed /late payments stems back to 2024. That said Ms B accepts her original complaint being investigated by this service relates only to Zopa's actions in 2025.

So as Ms B has acknowledged, a separate complaint would need to be raised by her with Zopa, for this service to consider the issues she says she faced in 2024 relating to the misreporting of her credit card activity by Zopa.

The first thing to say here is Zopa have accepted it made a mistake when it charged late fees and interest, given Ms B had cleared her outstanding balance in full by the due date in January 2025. I can see that Zopa have apologised to Ms B for that and refunded the relevant charges to her account, which has since been closed due to these errors.

Like the investigator while Ms B wasn't happy with Zopa's method of communicating to her, it's worth saying it is an online bank, so electronic communication should have been expected in line with its standard processes, and it's not for me to say Zopa must change that. Additionally, as far as I can see Zopa were only made aware of Ms B's vulnerabilities at the point she made her complaint in May 2025, so it's reasonable to say it couldn't have been expected to have known of any vulnerability issues beforehand.

With that in mind and like the investigator, I've taken the Equality Act 2010 into account when deciding this complaint – given that's its relevant law – but I've ultimately decided this complaint is based on what's fair and reasonable. If Ms B wants a decision that Zopa breached this act, then she would need to go to court for this to be decided.

What is important here is Zopa have apologised, corrected its mistake and amended Ms B's credit file to reflect the actual activity on the account in 2025. While it has closed Ms B's account, by Ms B's own admission she had repaid the debt in January 2025 without further use since that time, so it's reasonable to say any inconvenience by her not having access to that credit card account here would have been negligible.

That's not to say Zopa haven't made mistakes – it has and Ms B has suffered some inconvenience and frustration. That said, on balance given Zopa have taken corrective action regarding Ms B's credit file for 2025, apologised, provided feedback to the relevant team and reversed any interest and charges, I can't ask much more of them than that here.

I do agree a slightly higher level of compensation is warranted though and Zopa have now agreed to a total compensation of £200 as recommended by the investigator, and I am satisfied that is fair and reasonable here for the reasons I have already stated.

While Ms B will be disappointed with my decision, I am satisfied this is a fair outcome.

Putting things right

I instruct Zopa Bank Limited to pay Ms B a total of £200 for the trouble and upset it has caused.

My final decision

My final decision is that I uphold this complaint.

I instruct Zopa Bank Limited to pay Ms B a total of £200 for the trouble and upset it has caused.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms B to accept or reject my decision before 5 January 2026.

Barry White
Ombudsman