

The complaint

Ms B is unhappy that a debt she owed under a credit card facility provided by Capital One (Europe) plc ('Capital One') was sold to a third-party debt collection agency ('DCA').

What happened

Ms B opened a credit card account with Capital One in June 2016. In March 2020 it was informed that Ms B had entered into an Individual Voluntary Arrangement (IVA), this breached its terms of the agreement and so it advised Ms B that the account would default in 30 days.

In June 2024 it was informed Ms B was no longer subject to the IVA and so the debt was sold to a DCA later that year.

Ms B complained in October 2024 – in summary she said she was unhappy that the debt had been sold to a DCA, and she hadn't received any communication prior to this happening to notify her about the change. Unfortunately, Capital One says it didn't receive the complaint and apologised for this. But it did go on to consider Ms B's concerns, it issued its final response letter in February 2025 and didn't uphold the complaint.

Our Investigator looked into things but didn't uphold the complaint. Whilst he empathised with Ms B's personal circumstances, he didn't think Capital One had acted unfairly and so didn't recommend it needed to do anything to put things right.

As an agreement couldn't be reached the 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.

Having done so, I've reached the same overall conclusions as the Investigator and for broadly the same reasons. If I haven't commented on any specific point, it's because I don't believe it affected what I think is the right outcome. Where evidence has been incomplete or contradictory, I've reached my view on the balance of probabilities – what I think is most likely to have happened given the available evidence and wider circumstances.

I'm sorry to hear about both the personal and financial difficulties Ms B has described to this Service, I understand this has been an extremely difficult time for her.

Before I explain why I've reached my decision, I think it's important to set out here what I've considered. Capital One has sold the debt to DCA, who are a separately regulated financial business. As such, my decision will only consider the actions of Capital One and not the DCA. If Ms B remains unhappy with the actions of the DCA she will need to raise this as a separate complaint with them directly.

The regulator, the Financial Conduct Authority, has issued a set of rules as to how it expects financial businesses to operate. These are known as CONC, and they deal with the

treatment of customers in arrears or default. Specifically, CONC 7.3.4 says *“a firm must treat customers in or approaching arrears or in default with forbearance and due consideration”*.

Having considered the evidence, looking at the time Ms B was in arrears and the likelihood of her being able to maintain full payments and repay the outstanding balance in a reasonable period of time, I'm satisfied Capital One acted reasonably in both terminating and defaulting the agreement. I understand Ms B was going through a difficult time, but I can't see that Capital One were made aware of this until more recently when the debt was sold. So, I don't think it'd be fair or reasonable to hold Capital One responsible for circumstances it was unaware of.

I understand Ms B says she wasn't notified of the debt being sold. Capital One has said it wrote to Ms B on 18 June 2024 informing her of the outstanding balance and the consequences of not making repayments. One of which was the debt being sold to a DCA. It has also provided its account notes, and it appears correspondence in the form of a letter was sent around this date. So, whilst I can't say I've seen a copy of the letter, I'm persuaded that correspondence was likely sent. Once it was made aware of Ms B's circumstances it also provided details of independent bereavement charities

Given this I'm satisfied Capital One treated Ms B fairly and, in any event, it wouldn't mean Ms B's outstanding balance wouldn't remain due, nor that Capital One weren't able to sell the debt to a third party. It also apologised for the delay in responding to Ms B's complaint which I find both fair and reasonable under the circumstances.

My final decision

My final decision is that I don't uphold Ms B's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms B to accept or reject my decision before 17 November 2025.

Rajvinder Pnaiser
Ombudsman