

## The complaint

Ms P complains about a default registered by Zopa Bank Limited (Zopa) in connection with her credit card account.

## What happened

Ms P obtained a credit card with Zopa in November 2023. Ms P missed the minimum payments in March and April 2024 and made payments less than the minimum payment between May and October 2024.

In November 2024 Zopa sent Ms P a default notice, which required her to make a payment for the arrears to avoid the account being defaulted. Ms P made this payment in December 2024 and entered a payment plan for the following three months.

In early March 2025 Zopa wrote to Ms P to let her know that the payment plan had come to an end, and she needed to resume making at least the minimum payment. The letter asked Ms P to get in touch to discuss her situation and the next steps.

Zopa also sent Ms P an email in early March 2025 setting out that she'd missed payments and needed to contact them to discuss a payment plan before 28 April 2025.

Zopa then wrote to Ms P in mid-March 2025 with a default notice. This said Ms P had until 10 April 2025 to make a payment to avoid the account being defaulted.

Zopa sent Ms P a text message and sent her an email asking her to contact them so they could come to an agreement in late March 2025.

In early April 2025 Zopa sent Ms P an email to let her know her new statement was ready, and the minimum payment must be paid by 28 April 2025. They sent a second email to say the account was heading toward a default and Ms P needed to contact them to make a payment before 28 April 2025.

Ms P contacted Zopa by an online webchat on 11 April 2025. She said she needed to see what she could do to make the payment, but Zopa told her that the account had been defaulted already according to the default notice that'd been sent. Ms P complained to Zopa as she believed she had until 28 April 2025 to prevent the default.

In mid-April 2025 Zopa wrote to Ms P to tell her they'd terminated her account, and the full balance was now due.

Zopa sent Ms P their final response to her complaint in June 2025. They said they'd contacted Ms P about her account and missed payments several times in the lead up to the default being issued. They accepted that the date in two emails was incorrect, but they didn't think this altered the outcome and so they said the default had been correctly recorded. They offered Ms P £50 compensation for the incorrect date.

Unhappy with this response, Ms P brought her complaint to this service for investigation. She said the incorrect date given by Zopa gave her the impression she had longer to resolve the situation, and so the default shouldn't have been registered.

Our investigator gave their view that Zopa had provided the correct date to Ms P in their default notice, and they acted in accordance with that date. They said Ms P didn't appear to have been able to make payment and stop the default when she contacted Zopa in April 2025, and so they didn't think Zopa had acted unfairly in applying the default. They thought the £50 paid by Zopa was fair compensation for the incorrect dates in their emails.

Ms P didn't agree. She said she did have the funds available to make a payment to stop the default, and she contacted Zopa within the timeframe set out in their communication with the clear intention of stopping the default.

As an agreement can't be reached, the case has been passed to me for a decision.

### **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.

It's not in dispute that some of the communication that Zopa sent to Ms P contained the incorrect date that she needed to make a payment by. So, I've focussed my decision on whether Zopa have done enough to put things right.

I've first considered the default notice that Zopa sent to Ms P on 11 March 2025. The Consumer Credit Act 1974 (CCA) sets out in section 87(1) that a default notice is necessary before the creditor is entitled to terminate the agreement or recover the goods.

Section 88 of the CCA sets out that the default notice must:

- *“Specify the nature of the alleged breach*
- *If the breach is capable of remedy what action is required to remedy it and the date before which that action is to be taken*
- *If the breach is not capable of remedy, the sum (if any) required to be paid as compensation for the breach, and the date before which it is to be repaid.”*

I'm satisfied that the default notice that Zopa issued was in line with the CCA requirements, and that they acted in line with this notice when applying the default and later terminating Ms P's account.

It's clear from the history of Ms P's account that she had received a default notice from Zopa previously and acted to stop the default from being registered. So, I'm satisfied that Ms P was familiar with the process.

I've seen evidence that Zopa sent Ms P several emails and a text message in March 2025 and early April 2025 asking her to contact them to discuss her account. So, I'm satisfied that Ms P ought reasonably to have known that she'd been making less than the minimum payment toward her account for some time, that her payment arrangement had recently ended, and that she needed to contact Zopa to reach an agreement going forward.

Whilst all parties agree that Ms P was given an incorrect date in some of these communications, I think Zopa gave Ms P the opportunity to receive and respond to one of their methods of communication before they ultimately decided to apply the default and terminate the account.

Ms P has said that she had the funds available to stop the default. I've seen evidence that Ms P contacted Zopa by webchat on 11 April 2025. In this chat she said she needed to see what she could do to make the payment. I've seen evidence of Ms P's bank statement at the time, but it's not clear from this statement what Ms P's other financial commitments might've been at the time. All things considered, I'm not persuaded that Ms P would have been able to make a full payment to stop the default.

Whilst I'm not persuaded that Ms P would've been able to pay the sum required to satisfy the default, I've gone on to consider what might've happened if she did.

In its "Principles for the Reporting of Arrears, Arrangements and Defaults at Credit Reference Agencies", the Information Commissioner's Office ("ICO") says a business can register a default after a customer is behind with their payments for three months. And that it expects businesses to register a default by the time a customer is six months behind with their payments. I consider this to be representative of good industry practice. And as a minimum, would expect a lender to act in accordance with these principles when deciding whether to default a consumer's account.

The guidance goes on to say that a default shouldn't be filed where a joint agreement is reached for an arrangement. And it explains that if a lender doesn't agree a reduced or revised payment because the amount offered isn't acceptable, such as a very low or token payment, a default may still be recorded.

Based on the history of Ms P's account and the evidence provided, I'm not persuaded that she was in a position to have been able to enter into an arrangement that would've been acceptable for both her and Zopa. And there had been no minimum payment made for almost twelve months at the time of the default being applied. So, even if Ms P could've satisfied the default sum, I think it's more likely than not, on balance, that Ms P's account would've been defaulted and terminated.

So, although Zopa provided an incorrect date in some of their correspondence, I find that their failing here didn't have a material impact on the outcome. I can appreciate that Ms P is unhappy that the default has been recorded, but I don't think it's unreasonable, based on the evidence, that the account was ultimately defaulted.

Zopa paid Ms P £50 for using the incorrect date. All things considered, I'm satisfied that £50 fairly reflects the distress and inconvenience caused to Ms P.

### **My final decision**

For the reasons set out above, my final decision is that I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms P to accept or reject my decision before 7 January 2026.

Zoe Merriman  
**Ombudsman**