

The complaint

Mr H complains about how Capital One (Europe) plc handled his repayment proposal for his credit card account.

What happened

Mr H opened a credit card account with Capital One in March 2025 and used it for a purchase. Mr H then didn't make any payments towards the outstanding balance.

In June 2025, Mr H sent Capital One a 'Bill of Exchange', which he wanted it to accept in full and final settlement of his account. He said Capital One didn't rebut or dishonour his offer within his required timeframe and, by failing to do so, it had accepted his offer.

Mr H then complained to Capital One that it had recorded information on his credit file that showed he had exceeded his credit limit and placed missed payment markers on his credit file, despite it telling him it was investigating things for him.

Capital One issued final response to Mr H's complaint in July 2025. In summary, this said the terms and conditions of his account say he must repay it in British Pounds Sterling and it was reporting correct information on his credit file. Whilst Mr H was unhappy with Capital One contacting him, it was satisfied it was doing so correctly because he was behind with his repayments and its calls were to ensure it was supporting him as best as it can.

Unhappy with Capital One's responses, Mr H referred his complaint to our service. He later told us Capital One had later sent him a default notice. He was also unhappy Capital One sent him arrears letters and continued to contact him about his complaint.

One of our investigators reviewed Mr H's complaint but didn't uphold it. The investigator said the terms of his account say that Capital One will only accept payments in British Pounds Sterling and it wasn't obliged to accept his Bill of Exchange. The investigator also explained Capital One must report accurate information about Mr H's account to the credit reference agencies. They also said Capital One was treating Mr H fairly when making him aware about the outstanding balance owed on his account.

Mr H didn't accept our investigator's opinion and asked for an ombudsman to review his complaint. He said he'd issued a lawful Notice of Discharge and supporting Bill of Exchange, so Capital One had breached its obligations to him by continuing its collections activity and reporting adverse information on his credit file. He said Capital One had sent mixed messages saying it was still investigating his complaint and its contract terms were unfair.

To put things right, Mr H wanted Capital One to accept his Bill of Exchange, remove adverse information from his credit file and pay him compensation.

Our investigator explained he had seen nothing to suggest the terms of Mr H's contract were unfair. However, as Mr H remained unhappy, his complaint was referred 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.

Whilst I have considered the information submitted by all the relevant parties, and the legislation, rules and regulations Mr H has referred to, I won't be commenting on it all. I'll address only what I consider to be crucial to the outcome of this complaint. This isn't intended as a discourtesy to either party but reflects the informal nature of our service.

I note Mr H has raised a number of complaints about Capital One's actions after its final response to his complaint in July 2025. These include the ongoing arrears recorded on his credit file, the default notice and its continued letters saying it was investigating his complaint. However, I have only considered Mr H's complaint about Capital One's actions until the date of its final response. Should he wish to do so, Mr H can refer a complaint to Capital One directly about its actions since its July 2025 final response.

Mr H says Capital One may have breached relevant laws when pursuing him for the outstanding balance of his account recording information on his credit file. Whilst I have considered relevant rules and legislation in reviewing this complaint. However, it is important to explain that the Financial Ombudsman Service is an informal alternative to the courts, and only a court can decide whether Capital One has breached the law or not. Instead, my role is to decide whether Capital One has treated Mr H fairly and reasonably until the date of its July 2025 response to his complaint.

Mr H says Capital One should have accepted his 'Bill of Exchange' in settlement of the outstanding balance of his credit card account. It's possible that in some situations, this may be an acceptable form of payment. However, that doesn't mean that Capital One was obliged to accept this as payment.

The terms of Mr H's credit card agreement set out that he should repay Capital One in British Pounds Sterling. Mr H agreed to these terms when opening his credit card account in March 2025. I'm satisfied he was given notice that Capital One would only accept payments in British Pounds Sterling and I don't think Capital One breached the terms of its agreement with Mr H in refusing to accept Mr H's 'Bill of Exchange'.

Capital One didn't receive the contractual minimum payments due from Mr H in British Pounds Sterling, so it was entitled to record missed repayments on his credit file. Capital One wasn't obliged to refrain from recording information on Mr H's credit file whilst investigating his complaint. Instead, it was obliged to ensure his credit file accurately reflected his payment history and account balance.

Mr H has argued Capital One's terms are unfair and, therefore, not enforceable. He has referred to the Consumer Rights Act (CRA) 2015, and Section 62 in particular. It is important to reiterate I have no power to determine whether a contract term is legally enforceable or not.

Turning to the fairness of B's terms, Section 62 of the CRA sets out that a term of a contract is unfair if it causes a significant imbalance in the parties' rights and obligations under the contract to the detriment of the consumer. Schedule 2 of the CRA goes on to give examples of contract terms which *may* be regarded as unfair because a significant imbalance in the

rights of the parties has been created.

Having reviewed Schedule 2, I cannot see that B's terms fall into any of the categories set out in the Schedule. For example, the terms and conditions were available for Mr H to consider before he accepted the terms of his credit card agreement. Whilst Mr H says Capital One's ongoing communications with him breach Section 62 of the CRA, I saw nothing in its correspondence issued prior to its July 2025 final response that I think were unclear or misleading. So, I don't think it was unreasonable for Capital One to rely on its terms and conditions in asking Mr H to repay the outstanding balance owed to it in British Pounds Sterling.

As Mr H didn't make his contractual repayments in British Pounds Sterling, I think Capital One was obliged to record the missed payments and account balance to the date of its July 2025 final response. Overall, I don't think Capital One breached any of its obligations to Mr H and its treatment of him was fair and reasonable. So, I've not asked Capital One to accept Mr H's Bill of Exchange, remove any information recorded on his credit file or pay him any compensation in settlement of this complaint.

My final decision

My final decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr H to accept or reject my decision before 20 March 2026.

Victoria Blackwood
Ombudsman