

The complaint

Mr S complains that Capital One (Europe) plc ('Capital One') defaulted his credit card account when he intended to close it and didn't communicate fairly about this.

Mr S would like the default removed from his credit file and compensation for his distress and inconvenience.

What happened

Mr S complained to Capital One that they'd not closed his account as instructed in June 2024 when he made a final payment to clear his outstanding balance. Mr S said Capital One had written to him about the default at an old address, so he was unaware of the issue with his account.

Capital One didn't uphold Mr S's complaint. They didn't find evidence of an instruction to close the account, and they'd sent communications via post, email and text message using the contact details they held for Mr S.

Mr S asked the Financial Ombudsman Service to investigate. Our investigator didn't recommend his complaint be upheld. They didn't find think Capital One had acted unfairly when defaulting Mr S's account because they'd written to Mr S about his arrears and the risk of default using the contact details they held for Mr S. Our investigator thought Capital One had complied with their reporting obligations, and didn't recommend that Mr S's credit file be amended.

Mr S disagreed and sought an ombudsman's decision. He said Capital One should have emailed him about the upcoming default and had reported this unfairly to his credit file.

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.

I've taken into account any relevant law and regulations, the regulator's rules, guidance and standards, codes of practice and (where appropriate) what is considered to have been good industry practice at the relevant time.

Having done so I broadly agree with our investigator, and I've decided not to uphold Mr S's complaint. I'll explain why.

I have reviewed Capital One's contact notes for Mr S's account and there's no record of Mr S requesting an account closure around the time he made a payment in June 2024. Mr S's statement in June 2024 showed a balance of £216.26 so I am satisfied that Mr S's final payment of £50 wasn't enough to clear the balance at that time.

Mr S has clarified that the £50 payment in June 2024 was intended as a significant contribution to his balance and Capital One should have told him this was insufficient to

close his account. However I think Capital One did communicate that Mr S's account was open with a balance to pay. I say this because Capital One issued a further credit card statement in July 2024. This detailed four further uses of the credit card in July 2024 and indicated the account balance was £203.49. I agree with our investigator that Mr S was reasonably aware the account remained open with a balance, given his statement and his use of the card in July 2024.

Mr S moved house in late 2024 and he didn't update his postal address with Capital One. This meant that he didn't receive the default notice that was sent to him on 7 January 2025. I'd typically expect a default notice to be sent by post. I don't think Capital One made an error in sending the default notice to the address they held for Mr S at the time.

I recognise Mr S feels he didn't have a chance to avoid the default, but I disagree. While the default notice was sent by post, the Notice of Sums in Arrears dated 11 January 2025 was emailed to Mr S. Mr S accepts this was sent to his current email address. Looking further back, I can see that Capital One sent Mr S a text message and an email on 7 August 2024 about his missed payment, and emails on 17 September 2024, 17 October 2024, 19 November 2024 and 30 December 2024 offering plans for his arrears. Capital One hold the correct email address and mobile number for Mr S. Overall, I think Capital One can demonstrate they communicated fairly with Mr S about the status of his account and Mr S had a fair opportunity to address his missed payments before the default was applied.

The Information Commissioner's Office (ICO) sets out guiding principles for businesses reporting arrears, arrangements and defaults. This sets out that by the time an account is at least three months in arrears, and normally by the time an account is six months in arrears, it's generally expected that a default will be registered. Taking into account the industry expectations here, I can't say that it was unreasonable for Capital One to have registered the default when they did.

Mr S says his credit score checking app shows that Capital One are reporting a default marker each month and I understand his concern that there should only be one default. I think Capital One are only reporting one default with a start date of 8 February 2025. This would be expected to remain on Mr S's credit file for the following six years, so it's common for a repeating 'D' to be shown in that period. I think this is what Mr S is seeing in his credit score app. This doesn't mean a fresh default is being reported each month, and anyone looking at how the default is reported to the three main credit reference agencies will be able to see the start date of this default. Once the default balance is cleared, Mr S can expect the default to be updated as 'satisfied'.

I recognise this matter is important to Mr S and he was upset to discover this default on his credit file. I can only require Capital One to remove the default and pay compensation if I conclude they've treated Mr S unfairly, and having reviewed everything I'm not persuaded that they have in these circumstances. I am sorry to disappoint Mr S but this means I am not asking Capital One to take any action on this occasion.

My final decision

For the reasons I've given, I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr S to accept or reject my decision before 18 May 2026.

Clare Burgess-Cade
Ombudsman

