

The complaint

Mr C complains that Zopa unfairly declined his request to write off his credit card's outstanding balance.

What happened

Mr C opened a credit card with a £500 limit with Zopa in August 2024. In the first month, Mr C used the credit card and built up an outstanding balance of £495.39. No payments were made towards the credit card balance and arrears letters followed by default correspondence were sent to Mr C. Zopa stopped applying interest, fees and charges to the outstanding balance from January 2025. The account was ultimately closed at default by Zopa due to the arrears in March 2025.

In August 2025 Mr C contacted Zopa and asked it to write off the outstanding balance. Mr C explained that he has been suffering with serious mental health difficulties for many years and provided evidence from medical professionals to confirm his conditions. Mr C also provided a letter confirming the Department of Works and Pension (DWP) had assessed him as being unable to work. The letter provided dated 6 March 2025 confirms Mr C has been assessed as having limit capacity to work and won't be asked to look for jobs unless he wants to. It also confirmed the DWP may look to complete a new attend another Work Capability Assessment in the future. After Mr C provided documents supporting his request and completed an income and expenditure assessment, Zopa considered whether to write off the outstanding balance.

On 29 September 2025 Zopa advised it had declined Mr C's request to write off the balance. Zopa said Mr C's account had been placed on hold for 30 days and details of organisations that provide debt advice and support were provided.

Unhappy with Zopa's response, Mr C went on to raise a complaint and said the evidence he'd provided showed he was unable to work and unable to realistically repay the outstanding balance.

Zopa issued a final response on 7 October 2025. Zopa said it had considered the request in line with its policy framework but wasn't able to write off the balance. Zopa added it had provided breathing space for Mr C and referred him to debt services provide assistance.

An investigator at this service looked at Mr C's complaint. The investigator noted Zopa had stopped applying interest, fees and charges to the outstanding balance from January 2025 due to the arrears. The investigator thought that showed Zopa was trying to treat Mr C with some forbearance and didn't agree it had acted unfairly.

The investigator looked at Mr C's write off request. They noted Mr C had completed an income and expenditure assessment giving an income of £823 a month, rent of £400, £50 for a phone bill, £100 for tobacco, £200 for food and hygiene and £50 for occasional family expenses. The investigator explained that Zopa had taken the view Mr C's situation was potentially temporary and may stabilise once housing and budget support was established. The investigator also noted Zopa's view that Mr C's income and expenditure assessment

indicated he had a limited capacity to make repayments to the outstanding balance. The investigator wasn't persuaded Zopa had treated Mr C unfairly or made a mistake by declining his write off request and didn't uphold his complaint.

Mr C responded and provided updated evidence issued by medical professionals that showed his situation had worsened since he first asked Zopa to write off the balance. Mr C pointed to confirmation from a senior mental health practitioner that said he's suffering with complex mental health difficulties and confirmation his medication had increased due to his worsening mental health problems. As Mr C asked to appeal his complaint has been passed to me to make 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.

I'm aware I've summarised the events surrounding this complaint in less detail than the parties involved. No courtesy is intended by my approach which reflects the informal nature of this service. I want to assure all parties I've read and considered everything on file. I'm satisfied I don't need to comment on every point raised to fairly reach my decision. And if I don't comment on something, it's not because I haven't considered it. It's because I've focused on what I think are the key issues. My approach is in line with the rules we operate under.

I've thought about whether Zopa fairly considered Mr C's write off request. In doing so, I've looked at the information Zopa was given by Mr C along with the evidence he obtained from medical professionals and in relation to his benefits. I can see Mr C also completed an income and expenditure assessment at Zopa's request.

Zopa said Mr C has provided medical evidence to show his mental health conditions. But, the information doesn't say his ability to work is permanently affected. And whilst the DWP documents confirm it won't require Mr C to actively apply for work, it doesn't say he's unable to work – it says he has a limited capacity to do so. In addition, the DWP documents don't confirm Mr C won't be able to work again in the future. And the letter also confirms the DWP may ask Mr C to attend another Work Capability Assessment in the future which indicates it hasn't taken the view he won't be able to work on a permanent basis.

Zopa's also made the point that whilst Mr C's income and expenditure assessment shows he only has a limited disposable income, there were funds remaining that could be used to make payments towards the outstanding balance. In my view, that's a reasonable position for Zopa to take.

With the above being said, Zopa needs to ensure it treats Mr C fairly and reasonable and takes his vulnerabilities into account. I've looked at how Zopa's treated Mr C since his account was opened. I can see that whilst interest, fees and charges were applied to the outstanding balance when payments weren't received, they were all stopped in January 2025. From that point, no further interest, fees or charges have been applied. I think that shows Zopa was looking to work with Mr C and ensure the balance didn't unfairly increase due to charges.

The credit card has been reported on Mr C's credit file by Zopa, showing arrears and an unsatisfied default. In my view, that information fairly reflects the account history for Mr C's credit card and I haven't found grounds to tell Zopa to amend it.

Going forward, any arrangement Mr C agrees with Zopa will need to be done on the basis of his circumstances at the time and whether he can afford to make repayments. That's especially important in Mr C's case given the evidence he's supplied that shows he is vulnerable and suffers with his mental health. But I haven't seen anything that persuades me Zopa has treated Mr C unfairly to date. I note Zopa provided details of organisations that can provide debt advice and support in its final response. Our website also contains details of services that may be able to provide assistance to Mr C should he need it. Our investigator can also provide those details to Mr C.

I'm very sorry to disappoint Mr C but for the reasons I've given above I haven't been persuaded that Zopa treated him unfairly so I'm unable to uphold his complaint.

My final decision

My decision is that I don't uphold Mr C's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr C to accept or reject my decision before 21 January 2026.

Marco Manente
Ombudsman