

The complaint

Mr S complains that Capital One (Europe) plc defaulted his two credit card accounts.

What happened

Mr S held two credit cards with Capital One. In 2025, he fell behind on his repayments. In March 2025, Mr S used Capital One's web chat service. He disclosed his physical and mental health conditions, which I won't disclose here to protect his privacy. Mr S was offered a six-month breathing space on the account that paused interest, charges and collections calls. The agent also said:

"Agent- I can put both of your accounts on ongoing breathing space. This means...

- We'll still report things like your balance, credit limit and any late payments which will show on your credit file...

- You could lose use of your card permanently or default. We'll let you know before this happens, so please read any communications we send you...

Agent: Please read through the details of this above. Let me know if this would be better for you at the moment, or if you have any questions on this.

Customer: yes that would be better thank you."

Capital One sent Mr S an email on 19 March 2025, which said it was stopping interest and fees on his account ending 1514. The email said *"we'll still send you important messages, including if you are at risk of being defaulted... If you receive any of these, they still apply."*

Capital One wrote to Mr S again in June 2025 about each of his accounts. These letters said his account could default in the next two months.

On 8 July 2025, Capital One sent Mr S a default notice for his account ending 1514. As the arrears were not repaid by 5 August 2025, it recorded this account as in default. On 21 July 2025, Capital One sent another default notice for his account ending 1547. Again, the arrears were not repaid by 18 August 2025, so this account also defaulted.

On 11 August 2025, Mr S complained to Capital One by email that it had defaulted his accounts. He said he'd made Capital One aware of his long-term health conditions and his unemployment status. He said defaulting his account breached its forbearance agreement and contravened the rules and regulations it must adhere to.

In his complaint email, Mr S also made a Data Subject Access Request (DSAR). He asked for all call recordings, chat transcripts, internal account notes, correspondence and decision records relating to the handling of his account from 1 May 2025 and the date of his email.

In its final response of 26 August 2025, Capital One provided a copy of what was said to Mr S during his web chat. It had provided important information, including that the account can default whilst on breathing space. It said its email of 19 March 2025 also said the

account may default under breathing space.

Capital One said it had posted default notices to Mr S and it hadn't made an error when defaulting the accounts. It explained its duty to record accurate information on his credit file and said it hadn't breached any of its regulatory obligations. Capital One confirmed it would send its DSAR response within 30 days of his request.

Unhappy with this response, Mr S referred his complaint to our service. He felt Capital One had breached its Consumer Duty and regulations on treating vulnerable customers fairly because it defaulted his account during a forbearance arrangement. He wanted the defaults removed, as these limited his access to affordable credit and affected his daily expenses and employment prospects. Mr S also wanted an apology, compensation for the distress and inconvenience caused. Finally, Mr S said Capital One hadn't provided a complete response to his DSAR.

One of our investigators reviewed Mr S's complaint but didn't uphold it. She said Mr S had asked for his data from 1 May until 11 August 2025, so she didn't think Capital One had done anything wrong in not providing records from before 1 May 2025.

The investigator said Capital One had informed Mr S on more than one occasion that his account may still default whilst in breathing space. She thought Capital One had treated him fairly and defaulted his account in line with its obligations.

Mr S didn't accept our investigator's opinion. He reiterated his belief that Capital One breached its obligations. He also said the investigator relied heavily on what was said during his March 2025 call.

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.

In doing so, I've not considered Capital One's actions beyond its final response of 26 August 2025. I've also not considered any complaint Mr S may have about Capital One's decisions to lend to him.

Whilst I have considered the information submitted by all the relevant parties, and the legislation, rules and regulations Mr S 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.

Here, Mr S is unhappy that Capital One defaulted his accounts. In his complaint to Capital One, he also made a DSAR. However, Capital One hadn't responded to it at the time of its final response – I think it was entitled to say it would send the DSAR within 30 days of his request. In any event, I agree with our investigator that Mr S asked for records from 1 May 2025 and I've not seen that Capital One was in breach of any of its obligations at the time of its final response to Mr S's complaint.

Turning to Mr S's complaint that Capital One shouldn't have defaulted his accounts, I don't agree that it made an error here. I'll explain why.

It's not in dispute that Mr S was a vulnerable customer with financial and health difficulties. However, the Information Commissioner's Office (ICO) sets out guidance that mean Capital One should have defaulted his accounts once three to six months of arrears have accrued. This is the case even where the consumer has the health difficulties Mr S has

disclosed. Defaulting an account in line with the ICO's guidance in these circumstances doesn't mean a firm has breached its Consumer Duty and responsibilities to treat vulnerable customers fairly. Even where a customer is vulnerable, or has health concerns, Capital One is obliged to ensure the information it records on their credit file is an accurate reflection of the account's payment history.

Mr S's account statements show account ending 1514 was in use, and was last paid, in January 2025. His account ending 1547 was in use until February 2025 and last received a payment in January 2025.

Capital One applied breathing space and suspended interest and charges from March 2025, after Mr S got in touch. I think this was a fair and reasonable way to treat Mr S and in line with Capital One's obligations. Capital One also explained, on several occasions, that his account can still default after breathing space has been applied. It then sent Mr S default notices. So, I'm satisfied Mr S was given reasonable notice his account would default.

Capital One sent default notices after six months of missed payments, so I think it was entitled to send these. As the arrears weren't cleared by the dates specified in the default notices, I think Capital One was entitled to record the accounts as in default. This is the case even though Mr S was a vulnerable customer who had disclosed his mental and physical health difficulties.

I note Mr S says our investigator relied on his call with Capital One in March 2025. He appears to be referring to his web chat. Capital One disclosed the relevant part, where he was informed his account would still default, in its final response of 26 August 2025. There were other instances in which he was informed his account would still default, including the emails he was sent in March 2025, June 2025 and in the default notices themselves. Overall, I think Capital One gave reasonable notice the accounts would default. So, whilst I understand the impact the defaults have had on Mr S, I'm satisfied Capital One was entitled to default his accounts. I've not, therefore, asked it to remove this information from his credit file or pay him any compensation.

My final decision

My final decision is that I do not uphold this account,

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr S to accept or reject my decision before 29 April 2026.

Victoria Blackwood
Ombudsman