

The complaint

Mrs P complains about the service she received from Capital One (Europe) plc following missed payments on her credit card account.

What happened

Mrs P holds a credit card account with Capital One. She fell into difficulty with her repayments. A payment plan was put in place in March 2025, but as the plan was not maintained, in July 2025, Mrs P's account defaulted. Mrs P said this was unfair as she wasn't made aware her account was defaulting and said she hadn't received notices about the arrears. She said that she told Capital One she wanted to put a plan in place, starting with a payment of £150 at the end of July. And she said she told them that from September 2025 her nursery fees would reduce considerably, so she would be able to resume making full payments. She said that following this proposal, while ultimately a complaint was registered, she was under the impression the default had been put on hold.

An investigator considered Miss P's complaint and recommended it was upheld. She said that although when Mrs P called, Capital One hadn't explicitly said they would stop the default, she felt it was unclear on the call that the default would still go ahead. She also thought Capital One should've accepted Mrs P's offer to pay £150 on 26 July 2025, and that they should have put a further payment plan in place to support her. So, she said Capital One should accept a payment of £150 in July; set up a new payment plan; remove the default, and they should pay Mrs P £75 in compensation. Capital One disagreed however, so the complaint was passed to me to decide.

I wrote to both parties on 24 November, and explained the following:

"Mrs P missed her contractual payment in November 2024. This was then followed by further missed payments in December, January and February. A 'Notice of Sum in arrears' letter was sent to Mrs P on 4 January 2025 setting out the level of arrears on Mrs P's account. A similar letter was sent in early March 2025 as the arrears increased.

Mrs P spoke to Capital One in early March. She explained she was on maternity leave, and was only receiving statutory maternity pay, which left her with around £10 a month and her husband was having to support her. She said she would be returning to work in April 2025 and receiving full pay but expected her financial position to improve sooner and by 25 March. She confirmed her priority bills were being paid by her husband and that her rent and car finance was up to date. She said she had agreed reduced payment plans on other credit cards and wanted to do the same with Capital One, she said she could pay around £50 a month.

Capital One asked Mrs P a number of questions, and based on the results of those questions, Capital One agreed a plan of £52 a month for 12 months paid on the 26th of each month. They explained that payments would need to be paid manually. They said Mrs P would still receive notice of arrears letters, but that she could ignore them if she maintained the plan. They explained that if the plan wasn't maintained

her account may end up defaulting. A letter was then sent to Mrs P on 11 March confirming this.

Mrs P made her first payment of £52 under the plan at the end of March. However, no payment was made in either April, or May. So, another letter was sent to her, setting out the level of arrears on her account. Capital One also wrote to Mrs P explaining that she could permanently lose the use of her card if she didn't maintain her payments or set up a plan; and they encouraged Mrs P to reach out to try and reach a solution. No payment was made by the end of May 2025, and no contact was made by Mrs P. So, in early June, Capital One wrote to Mrs P to explain that as no payment was made, and they felt there was a risk of Mrs P not being able to repay what she owed, she had now permanently lost the use of her card. They also sent her a default notice, setting out that she needed to pay £280.17 by 7 July 2025 to stop her account defaulting.

Mrs P didn't clear the full arrears by the above date and instead made a payment of £50 at the end of June. She then contacted Capital One on 4 July, asking to set up a payment plan to avoid a default. Capital One put to Mrs P that she had missed six payments, and they wanted to understand the reasons why. Mrs P explained that initially it was due to her being on maternity leave, but since being back at work, she was having to pay full private childcare as her daughter wasn't yet nine months old. She said that she wanted to start a payment plan, and said that from September 2025, she could increase her payments as her childcare would begin receiving government support when her child turned nine months. Capital One explained that a default notice had already been sent due to the six missed payments, and that she needed to pay £280.17 by 7 July 2025 to stop a default from being registered.

Mrs P said she had not received the default notice, but Capital One confirmed it had been sent both by post and email. They asked further questions around Mrs P's income and expenditure. And Mrs P said that she was able to start paying £150 a month from 26 July. But Capital One explained that as of now, a default notice had been issued, and while she could call back and set up a plan, if payments couldn't start until the end of July, her account would roll into default. Mrs P asked why she hadn't been called about the default, and if she could speak to anyone else as she was not able to pay £280.17 in just three days' times. The call was placed on hold. The advisor came back to the call and explained that if Mrs P was unhappy, she could log the matter as a complaint, and the complaint resolution team would look into the matter, and they would get back in touch as soon as possible once investigated. Mrs P then said, "but the issue is, it's the 7th of the month that the default starts" The advisor said that they would look into matters. Mrs P then asked if she could have an extension until the 25th to stop the default. The advisor said she was making a note of all of this, but that she was sorry that for now she wouldn't be able to proceed [sic] it any further.

A further call was made on 9 July. Mrs P said she was unhappy, as she had now been told by the complaints team that her account had defaulted. She said that when she called on the 4th, and a complaint was logged, she asked what would happen to the default date of the 7th, and said she was told not to worry about the payment, and that Capital One could get it extended. So, she said it was unfair to register the default in the circumstances, and she wanted to the deadline to make payment to be extended. Capital One said they could escalate the complaint issue, and they could also look to set up a payment plan. But Mrs P said she didn't want to make any payments until the default had been removed. But Capital One said a final response letter (FRL) had been issued that day on her complaint explaining that the default could not be removed. Mrs P maintained that this was unfair as Capital One's agents

had misinformed her, so she requested to be put through to a supervisor.

A supervisor took over the call and Mrs P reiterated her concerns. The advisor said they could reopen the complaint and have the call investigated, but that for now the account had defaulted, and that the default would remain on her account for six years. Mrs P said she didn't want to make any payments until the investigation had been completed. The advisor ran through some further details regarding Mrs P's income and expenditure and reiterated that to bring the account up to date a £281.19 payment was required. They asked Mrs P if she was to go onto a plan, whether she would she be able to catch up the arrears in a six-month period, which Mrs P confirmed she would. They confirmed again at the end of the call that the default has been registered and would remain on her credit file for six years.

A further FRL was sent to Mrs P on the 14th July, where it was explained that the earlier call had been reviewed, and that Mrs P's claims that the advisor told her an extension would be provided was incorrect, and that no such advice had been given. So, unhappy with this, Mrs P brought her complaint to our service, and ultimately it has been passed to me following the investigator's initial opinion and the business's rejection of this.

Having reviewed matters I can understand why Mrs P is unhappy. And I agree with the investigator that the calls could have been clearer.

I have listened to the call on the 4th, and I can see that Mrs P was told on a number of occasions, that the account had defaulted. Mrs P asked Capital One whether an extension to the default date could be provided, and the advisor said "as of now I'm so sorry but I wouldn't be able to proceed [sic] it any further, but as I mentioned I would be raising a complaint".

I think, from what I've heard, that potentially the wrong word ("proceed") was used in response to Mrs P's question. And I think the advisor was trying to explain she wouldn't be able to 'extend' it any further. While I agree this could have been clearer, what is clear to me, is that despite Mrs P's claims, and potentially the wrong word being used, at no point during that call was Mrs P told not to worry about the payments. Nor was she told that the default date would be extended. So, while I agree the call could have been clearer, there's nothing within that call that leads me to believe that Capital One were wrong to have recorded a default following the conversation, or that Mrs P was led to believe that the account would not default.

Turning to the default itself, the guidance for businesses on the reporting of arrears, is set out in the Information Commissioner's Office's "Principles for the Reporting of Arrears, Arrangements and Defaults at Credit Reference Agencies" report. Section 4 is titled "If you fall into arrears on your account, or you do not keep to the revised terms of an arrangement, a default may be recorded to show that the relationship has broken down". This section explains that accounts will normally default when a customer is between three and six months in arrears. And it goes onto explain that there are other times when a business may report a default against a customer's account, this includes when an account has been included in a bankruptcy, CCJ, or an Individual Voluntary Arrangement (IVA).

In this case, Mrs P's account had already reached the top end of the above scale and was already at six months in arrears at the point the default was recorded. She also hadn't kept to the terms of a revised payment arrangement put in place by Capital One back in March 2025. Furthermore, there was nothing within the content of the calls Mrs P made to Capital One, that led me to believe that the default was being put

on hold. So, while I appreciate Mrs P's intentions, and I believe she wanted to bring her account up to date, given the level of arrears on her account, and the fact that a revised payment arrangement had failed after just one payment had been made, despite those intentions, when considering the above guidance, I can't reasonably conclude that it was unfair of Capital One to report a default to CRAs when they did. So therefore, I won't be instructing Capital One to do anything further in the circumstances."

I asked both parties to provide any further submissions by 8 December 2025, and explained that after which, I would look to finalise my decision on this matter.

Capital One responded and accepted my findings, but I received no response from Mrs P.

So, as a conclusion has yet to have been reached, and both parties have had the opportunity to respond, I will now look to issue my final decision on this matter.

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.

Having done so, my position remains the same as set out in my email of 24 November 2025.

Mrs P's account fell into arrears and ultimately a plan was agreed. Capital One made it clear that if Mrs P maintained the payments under the plan, that she could ignore the arrears letters she was receiving. Unfortunately, Mrs P didn't maintain the payments in accordance with the plan, and Capital One wrote to Mrs P explaining she could permanently lose the use of her card if she didn't repay the arrears. A default notice was also sent requiring Mrs P to pay £280.17 by 7 July 2025 to stop her account from defaulting, but this was not repaid.

In early July, Mrs P tried to agree a further plan with Capital One. Capital One agreed in principal but explained that Mrs P would still need to pay the £280.17 by 7 July or her account would default. Mrs P failed to make the payment and the account ultimately defaulted shortly after.

Mrs P has argued that she was told that her account would not default, and that the default date could be extended. But from the evidence I've seen, there is nothing to support that argument. To the contrary, I'm satisfied Capital One told her the opposite, and that the above payment had to be made by the date set out, or her account would default.

So, while I appreciate this will come as a disappointment to Mrs P, given the level of arrears that had accrued on her account, and following the failed payment arrangement, I'm satisfied that it wasn't unreasonable for Capital One to report the default to credit reference agencies when they did, when taking into account the Information Commissioner's Office's guidance set out in the "*Principles for the Reporting of Arrears, Arrangements and Defaults at Credit Reference Agencies*" report. So therefore, I won't be asking Capital One to do anything further.

My final decision

My final decision is that I do not uphold Mrs P's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs P to accept or reject my decision before 13 February 2026.

Brad McIlquham
Ombudsman