

## **The complaint**

Mrs A complains Capital One (Europe) plc acted unfairly by defaulting and closing her account.

## **What happened**

Mrs A held a credit card account with Capital One, which she paid monthly by direct debit. In March 2021 Mrs A made her regular payment but then contacted Capital One to request a payment holiday, which was put in place until June 2021. After this point no further payments were made.

In July 2021 Mrs A contacted Capital One and explained, as a result of her personal circumstances, she was having difficulty making repayments. Capital One agreed to apply breathing space to her account and explained it would stop adding interest and fees – but said payment would still be required.

As no further payments were made, Capital One closed Mrs A's account and later defaulted it in February 2022.

In October 2025 Mrs A contacted Capital One to complain, saying she'd not heard from it, or been made aware the account had defaulted.

Capital One reviewed matters but didn't think it had acted unfairly. It said it had written to Mrs A on several occasions explaining payments were due, but as the debt hadn't been repaid, it had made the decision to close and default the account. And it was required to report accurate information to credit reference agencies, so it was unable to remove this.

As Mrs A remained unhappy, she contacted this Service. An Investigator here reviewed matters, but didn't think Capital One had acted unfairly. They said Capital One had sent several communications to Mrs A, by post and email, about the support it had put in place and the necessity to make repayments. Our Investigator said it had also told her the direct debit had been cancelled in March 2021. But as Mrs A hadn't made any repayments it was entitled to close and default her account and had done so fairly.

Mrs A disagreed, saying she couldn't be held responsible for not receiving the letters Capital One had sent. She also explained her email account had been hacked in 2022, and as such she'd not received any emails.

As no agreement could be reached, the complaint has been passed to me to decide.

## **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.

Firstly, I want to say how sorry I was to hear of the health and bereavement Mrs A has faced over the years. I've not repeated those here, as our decisions are published, but I'd like to

thank Mrs A for sharing that information with us and reassure her I've taken them into consideration when coming to my decision.

I understand why Mrs A is upset Capital One has defaulted and closed her account. However, Capital One was entitled to ask Mrs A to make repayments and it was something she agreed to within the terms and conditions of the account.

In March 2021 Capital One wrote to Mrs A, under its brand name, I'll refer to as V. This explained Mrs A's direct debit had been cancelled and she'd need to arrange another way of making repayments. It's not clear why this happened, but I can see it was around the time Mrs A requested a payment holiday for two months, so it seems reasonable the direct debit was also cancelled as a result. I say that because, it's generally accepted when a customer enters a payment holiday a direct debit is stopped and/or cancelled. Even if that wasn't the case here, I think the letter made clear it had been cancelled and Mrs A would need to make alternative payment arrangements, which she didn't do. So I can't say Capital One acted unfairly as a result.

Following the payment holiday, Mrs A contacted Capital One again in July 2021 and breathing space was approved. This meant Capital One agreed to stop interest and charges on her account, which seems a reasonable step to take. Mrs A has said she didn't receive the email from Capital One, which set out she'd still need to make payments towards the account. She's said her email was hacked in 2022, which was some time after the email was sent. I don't know why Mrs A didn't receive the email, but I don't think that changes the outcome here. I say that because, I need to be persuaded it was sent by Capital One – and I am.

In addition, when some information isn't available, I need to make a decision based on what, more likely than not, happened. And here while I haven't been provided a copy of the call in which breathing space was discussed, as it's no longer available, I do think Capital One would more likely than not have explained Mrs A would still need to make some payments. I should also say, it's not unreasonable the call isn't available given the time that's passed.

Given this, although Mrs A didn't receive the email, I don't think Capital One acted unfairly, because I'm persuaded it was sent and because I consider she was more likely than not told of the necessity to make some payments.

Following this, Capital One wrote to Mrs A on several occasions notifying her she'd missed payments and of the necessity to repay. It also made the decision to initially suspend and then permanently close Mrs A's account, which seems reasonable to prevent the arrears from increasing. As such, even if Mrs A didn't receive the initial email, Capital One sent further communications, so I can't say it acted unfairly as a result.

As no repayments were made Mrs A entered arrears and Capital One sent a Default Notice in January 2022 asking for the overdue amount to be repaid. This also set out what could happen if payment wasn't received, which included applying a default to Mrs A's credit file. As payment wasn't received, Capital One made the decision to default Mrs A's account in February 2022. At this point I think it would be helpful to point to guidance from the Information Commissioner's Office (ICO) which says:

*"A default normally occurs when you have not met the terms of a credit agreement, and your account is three to six months in arrears."*

I think this is a reasonable standard to apply, so I'll consider the timeframes in this case.

Mrs A's account was six months in arrears, and she hadn't made any payments. So it seems reasonable it made the decision to default her account when it did.

Mrs A has said she didn't receive Capital One's letters. As I've explained above, I need to be persuaded Capital One *sent* these, rather than Mrs A *received* them – and I am. That's because the letters and system notes Capital One has provided show they were sent to the address both it and this Service hold on file for Mrs A. While Mrs A has said she moved house, these letters were sent after she updated her address with it. In addition, I can see Mrs A spoke to Capital One in December 2021, asking to extend the breathing space and the possibility of a default was discussed. By this point Capital One had notified her the account had been closed and explained the necessity to make repayments.

I'm aware Mrs A is concerned about the obtaining lending in future, which I can appreciate. Firstly, I can only consider impact that has happened, rather than what might happen. But in any case, in order to uphold this aspect of Mrs A's complaint, I'd need to be satisfied an error caused solely by Capital One led to these issues. But as I've explained above, I haven't found Capital One made an error here, so it would be unfair to hold it responsible for any difficulties Mrs A faces as a result.

Taking everything into account, while I appreciate this will come as a disappointment to Mrs A, I can't say Capital One has acted unfairly. It provided support through breathing space and payment holidays as I'd expect. But as future payments were not made for six months it made the decision to close and ultimately default Mrs A's account. As such, I won't be asking Capital One to take any action here.

### **My final decision**

For the reasons explained above, I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs A to accept or reject my decision before 30 April 2026.

Victoria Cheyne  
**Ombudsman**