

complaint

Mrs D complains that Capital One (Europe) plc:

- applied excessive amounts of interest to her credit card account
- charged late payment fees in error
- didn't warn her about the impact of making regular minimum monthly repayments

Mrs D would like Capital One to write off the outstanding balance on her credit card and refund some of the interest.

background

Our adjudicator didn't consider that Mrs D's complaint should be upheld. She felt Capital One had charged interest in line with the terms of the account. Our adjudicator said Capital One reminded Mrs D about the effect of only making the minimum monthly repayments through her monthly statements. And our adjudicator considered that Capital One had given Mrs D the relevant notice of default sums within her statements.

Through her representative, Mrs D explained why she didn't agree with the adjudicator's conclusions. Mrs D said Capital One hadn't complied with paragraph 161 of the Lending Code because it hadn't sent her separate letters warning about the implications of making frequent minimal payments. Mrs D said this failure could create an unfair credit relationship. And showed that Capital One hadn't treated Mrs D fairly.

my findings

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint. In cases like this, where the evidence is inconclusive, I reach my decision on the balance of probabilities. That means I'll look at all the available evidence and decide what I think is most likely to have happened.

As I agree with what our adjudicator has already said to Mrs D about the interest charges and default sums, I don't intend repeating everything in my final decision. I will address Mrs D's specific concern that she paid excessive interest as a result of making minimum payments for a number of years.

Mrs D says Capital One didn't send her separate correspondence to remind her of the impact of regularly making minimum monthly payments. But Capital One says it sent these letters to Mrs D every six to twelve months. Capital One says the letters are system generated so it doesn't keep copies on file. But I'm persuaded that it's more likely than not that Capital One did send them to Mrs D.

Even if I was to conclude that Capital One didn't send the letters, it wouldn't change my decision. I say this as the same message about making minimum monthly payment was contained in each credit card statement. And there is a note of a conversation with Mrs D in November 2013 when the bank discussed making larger payments to help clear the balance.

I consider Mrs D would've been aware of the effect of making regular minimum payments. So I'm not persuaded that additional correspondence would've made a difference to Mrs D's repayment patterns. But as I've already said, on balance I'm satisfied that Capital One followed its usual process and sent Mrs D separate reminders.

Mrs D says I should take account of the fact she is in financial difficulties. The bank has given me copies of her 2014 and 2015 credit card statements. I can see that some payments were made late. But then Mrs D made up those payments and didn't approach her credit limit. Because the account was managed within its limits and monthly payments were made, I don't find it unreasonable that Capital One didn't discuss Mrs D's ability to repay.

If Mrs D hasn't done so already, she should discuss her financial situation with Capital One. I would expect it to treat any approach that she makes sympathetically and reasonably.

Mrs D should be aware that I haven't dealt with Capital One's offer to refund her Card Protection Policy payments. I understand this is being looked at by another team within this service.

my final decision

My decision is that I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs D to accept or reject my decision before 6 November 2015.

Gemma Bowen
ombudsman