

complaint

Ms C complains that Capital One (Europe) plc didn't make her aware that a debt on her credit card account hadn't been written off when the account was settled in 2003.

background

Ms C said the debt is over 20 years old and she is unhappy Capital One has brought this up having agreed a partial settlement in 2003 and Capital One having offered her credit cards subsequently. She said Capital One didn't pursue her for the debt until she received a PPI award and then offset the debt against this.

Capital One provided evidence to show that during the phone call with Ms C in April 2003 where it agreed the settlement, it explained that it was accepting Ms C's partial payment of the outstanding amount, and wouldn't pursue her for the balance. According to Capital One's notes it told Ms C that the debt would still show on her credit record. Capital One said that after the settlement no further cards were issued to Ms C.

The investigator didn't recommend the complaint be upheld saying Capital One's note of its call to Ms C made it clear the account was only partially settled. She said that in any event an ombudsman had decided that Capital One hadn't done anything wrong by offsetting Ms C's PPI redress to repay the debt and so she hadn't suffered any detriment. The investigator said that Capital One has said there is no record of any further cards on Ms C's account.

Ms C disagreed with the investigator saying the decision is wrong and unjust.

my findings

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint.

I've looked at Capital One's handling and decisions about Ms C's credit card account to see if it has acted according to the terms of the account and whether it has treated her fairly.

Ms C said she wasn't told the debt hadn't been written off until it was deducted from her PPI redress and this was unfair. It would appear that Ms C was in financial difficulty in 2003 and she contacted Capital One and agreed a partial settlement of her credit card debt, in that the residual debt remained but Capital One wouldn't pursue Ms C for the debt.

Unfortunately no correspondence remains from this time, but Capital One has a note of a call with Ms C in April 2003 which states that it told her the debt would remain on her record but it wouldn't pursue her for it. From what I have seen I think that Capital One did tell Ms C the residual debt remained outstanding. Capital One's approach to the amount owed and its offset against Ms C's PPI redress has already been considered by an ombudsman at this service and found to be fair.

From the records provided by Capital One I haven't seen anything to suggest that it offered Ms C further credit cards after the partial settlement of her debt in 2003. And Ms C hasn't provided anything to show this happened. I think Capital One has acted in accordance with the terms of Ms C's credit card account and treated her fairly and I don't require it to take any further action.

my final decision

For the reasons I have given it is my final decision that the complaint is not upheld.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms C to accept or reject my decision before 7 January 2019.

Andrew Fraser
ombudsman