

complaint

Miss A complains about how Capital One (Europe) plc treated her when she was in financial difficulties.

background

Miss A had some financial difficulties and approached a number of creditors to get the problems sorted out. She had a credit card with Capital One and appointed a debt management company to speak to Capital One her outstanding balance.

Miss A says that Capital One registered a default against her despite knowing that she had asked the debt management company to talk to Capital One about a repayment plan and after she had been making payments towards her account.

Our adjudicator didn't recommend that the complaint should be upheld. He thought that Capital One was entitled to default Miss A's account as a repayment plan hadn't been agreed. And that the information it recorded on her credit file, while containing different details compared to other creditors, was correct.

Miss A thinks that Capital One was at fault in delaying a repayment plan being set up and hasn't treated her fairly, so her complaint has been passed to me.

my findings

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, while it will disappoint Miss A, I have come to the same conclusions as the adjudicator and for much the same reasons.

I have sympathy for Miss A. She was experiencing financial difficulties but was trying to sort out her accounts. She appointed a debt management company to assist but unfortunately her credit card account with Capital One still defaulted. I have looked at the reason the account defaulted and can't see that Capital One did anything wrong.

I can see that Miss A had made payments to start to pay off the balance of the account but it seems that this was before a repayment plan had been agreed with Capital One. And even if a repayment plan had been agreed the account would likely have defaulted anyway as the amount Miss A could afford each month was less than the minimum payment required under the agreement.

I've considered what Miss A has said about Capital One not being able to find her account when the debt management company contacted it but I can't see that this was a problem. Capital One's notes say that it wrote to the debt management company shortly after it asked for details of Miss A's balance. So it doesn't look like it had a problem finding her account.

I appreciate what Miss A says about it being obvious she was trying to set up a repayment plan as she had appointed a debt management company but it is clear that one wasn't formally agreed until after the account was defaulted. I can't see that this was Capital One's fault.

Miss A thinks that one of the reasons a repayment plan wasn't set up sooner was because Capital One passed the debt out to a collection agency. Capital One accepts that it did for a short time but, as the repayment plan was not agreed until a couple of months later when Capital One had taken the debt back, I don't think that this changes things. And as I've already said, even if a repayment plan had been agreed earlier the account would likely have defaulted anyway given the amount Miss A could afford to repay each month.

I've also considered what Miss A has said about the way Capital One has reported the information about her account. Miss A thinks that it is unfair that the information recorded by other creditors is clearer as it shows her account has been settled in full. But I have seen a copy of her credit reference report and it shows that the balance on Miss A's Capital One credit card account is zero. While the information might not be shown in the way Miss A would like, it is accurate, and so I don't require Capital One to change it.

my final decision

My decision is that I don't uphold Miss A's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss A to accept or reject my decision before 3 October 2016.

Michael Ranaghan
ombudsman