

## **complaint**

Miss M complains that Capital One (Europe) plc hasn't done enough to help her with her financial difficulties.

## **background**

Miss M's credit card account went over its limit but she didn't realise this because she didn't check her statements. She said she continued to make the minimum payment by direct debit but the charges Capital One applied to her account meant that the overdue balance increased every month. A debt collection agency is now chasing her for the balance. She thinks the charges Capital One applied to her account are punitive and out of proportionate.

The adjudicator set out in detail the background to this complaint in the letter giving her opinion. She thought that Miss M should've been aware of the charges at the time. Capital One made those charges in line with the terms and conditions of the account so she didn't think they were unfair. Although Miss M used two debt management companies neither of them gave Capital One enough information to allow it to assess Miss M's financial situation. When a repayment arrangement stopped Capital One sold the debt. The adjudicator didn't think that was unreasonable.

Miss M wasn't happy with this and said she thought the interest charges should've been capped in the same way that pay day loans are. Because Capital One knew she had involved two debt management companies and her credit card was dormant for two years it should have defaulted her account earlier and stopped adding charges. She wanted her case reviewed because she thought the amount of charges don't reflect the true cost to Capital One.

## **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 know Miss M will be disappointed with my decision but I agree with the conclusions of the adjudicator for the following reasons.

Banks have a duty to treat cases of financial difficulty positively and sympathetically. But it doesn't mean charges and interest should be refunded. Although Miss M thinks the charges were excessive they were in line with Capital One's terms and conditions so I can't fairly ask Capital One to refund them. And I agree with the adjudicator that I can't compare this to payday lending.

Looking at the history of Miss M's account I can't fairly find Capital One should've defaulted it earlier. She said it waited until "the last second" before it did this. She approached the first debt management company in June 2010 so until this company contacted Capital One I'm satisfied it wouldn't have known Miss M was having financial problems. Miss M says it should have realised because she hadn't used her card for over 18 months at that stage but I don't agree. She also says she remembers phoning Capital One at some point to query the balance but it seems to me, from the information Miss M has given us, this was not long before she involved the first debt management company.

I can see that Capital One wrote to her in January 2011 to tell her the account had been defaulted. After then it stopped applying interest and charges. It agreed to debt management plans but it sold the debt to a third party when Miss M didn't make any more payments. I don't think it's acted unreasonably in those circumstances.

I understand Miss M feels very strongly about this but for the reasons I've given I can't find Capital One has done anything wrong.

**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 Miss M to accept or reject my decision before 21 July 2016.

Linda Freestone  
**ombudsman**