

complaint

Mr M complains that Capital One (Europe) plc didn't respond when a debt management charity tried to reach a repayment agreement on his behalf.

background

Mr M asked a debt management company to support him in paying off his debts. He says that everyone he owed money to, including Capital One, was sent a financial statement and an offer of payment in September 2014. Capital One didn't respond to this. He wrote to Capital One to follow up, and eventually received a response in January 2015.

Capital One's letter said it was sorry it hadn't responded sooner. The bank refunded charges on Mr M's account back to August. It also suspended charges for a further month, and paid £50 into his account to say sorry for the delay in replying. Capital One then said it would decide whether to default Mr M's account and accept his payment plan.

Capital One didn't respond to our adjudicator's attempts to get it to comment on this case until it received our adjudicator's opinion.

Our adjudicator thought that Capital One had dealt very poorly with Mr M. She pointed out that it was difficult to believe that so many letters from Mr M and his debt management company had not reached Capital One. She said this seemed unlikely, especially as the bank also seemed not to have received a number of letters from our service too. She noted that Mr M has poor health, and thought that the bad service he had received from Capital One had made this problem worse. She thought Capital One should pay Mr M a total of £200. That would mean the bank would pay £150 on top of the £50 it had already paid.

Capital One then responded to our adjudicator. It said it had never heard from the debt management charity that Mr M had asked to work on his behalf. It had only heard from Mr M to say that the charity was working for him. The bank said the problem was that the charity hadn't contacted the bank about his case, and it shouldn't have to pay compensation for that.

Our adjudicator contacted the debt management charity. It said it had sent information on Mr M's case through to the bank twice in early September 2014. Because of this, and because the issue wasn't settled until April 2015, our adjudicator thought the bank should pay £300 in compensation.

The ombudsman service received no response from the bank to this proposal, so the case was passed to me for a final decision.

my findings

I have considered all the available evidence and arguments to decide what is fair and reasonable in the circumstances of this complaint. I have reached the same conclusion as our adjudicator, and for broadly the same reasons.

Mr M says that the debt management charity working on his behalf contacted the bank in September. The charity says the same. Capital One says it simply didn't receive that information about Mr M from the charity. Mr M says that his other debtors were sent information at the same time, and they all responded, so I do think the information was sent

to Capital One. It isn't clear whether this information went astray or Capital One just didn't respond.

The bank says that it did receive Mr M's authority to deal with the debt management charity in November 2014. At this time the bank seems to have changed Mr M's address details to the address of the debt management charity, but the bank seems to have continued to contact Mr M at his home. The Lending Code sets out that normally a bank will communicate through an advisor, if the customer has given the bank authority to do so. Capital One hasn't explained to us why the bank was still writing to Mr M when it could have been corresponding with the debt management charity.

A repayment plan was finally agreed in April 2015. The Lending Code places the bank under a duty to deal quickly and sympathetically with things that go wrong. Capital One had known for some time that Mr M was trying to reach a repayment agreement with it. The charity had been making payments on his behalf since 2014. I think Capital One has taken too long to reach a decision on the repayment plan.

Our adjudicator initially suggested that the bank increase its offer to £200 in total, which would include the £50 it had already paid. She then got some further information on the case, and said that the bank ought to offer more compensation. She said that £300 would be appropriate. The bank has not responded to this suggestion.

Mr M has sent us evidence of a stress-related health condition, and said that the difficulties he has faced with the bank have made this worse. I don't think £150 would have been enough to compensate Mr M for the trouble and upset the problem with Capital One has caused him. I think £300 is an appropriate sum to pay in compensation for the difficulties Mr M has faced in getting Capital One to respond to his offer of payment. This is in addition to the £50 that Capital One has already paid.

my final decision

My final decision is that Capital One (Europe) plc should pay Mr M £300, in addition to the £50 it has already paid him.

Under the rules of the Financial Ombudsman Service, I am required to ask Mr M to accept or reject my decision before 13 July 2015.

Esther Absalom-Gough
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