

complaint

Ms H complains that Capital One (Europe) plc put a default on her credit file a number of years ago and the default is still there. She says that she thought the debt had been written off. She wants compensation.

background

Capital One says it defaulted Ms H's account in January 2009, so the default should no longer be on her credit file now. It sold the debt to a debt collection agency in January 2011. It says that the debt collection agency agreed not to pursue Ms H for the debt due to her serious illness.

Ms H thinks she should get some compensation, so she complained to us. The adjudicator didn't uphold Ms H's complaint. He was satisfied that Capital One had told Ms H that the account had defaulted in 2009. He thought the default would have been taken off Ms H's credit file by now as it was more than six years old.

Ms H disagrees with the adjudicator's view. She has asked for the matter to be referred to an ombudsman.

my findings

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

There's no dispute that Ms H was in a difficult financial position in 2008 to 2009. This can't have been easy. Capital One has a duty to respond positively and sympathetically to customers in financial difficulty. This doesn't mean that they have to write off debt.

I haven't seen anything from Capital One to suggest that it was going to write off the debt. Even if it had done that, it could – and I think it would – still have registered a default on Ms H's credit file. In any case, I understand that the debt collection agency has decided not to ask Ms H for the money she owed.

Capital One says that it told Ms H it was going to default her account, and it went ahead in January 2009. I think its records reflect that. I see no reason why it shouldn't have defaulted the account given the arrears Ms H was in.

Ms H says that the default has been on her credit file for eight years. A default should usually only stay on a credit file for six years. Capital One defaulted the account in January 2009 so the default should have been removed after January 2015.

We asked Ms H to provide a copy of her credit file so that we could see if the default is still there. She didn't provide this so I can't say what appears on her credit file. But I see no reason why the default wouldn't have been removed as more than six years have passed.

I think it would be helpful for Ms H to have a copy of her credit file. She may wish to contact one of the credit reference agencies to ask for this.

my final decision

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

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms H to accept or reject my decision before 30 November 2015.

Loucia Kyprianou
ombudsman