

The complaint

Mr E is unhappy that MBNA Limited didn't set up a payment holiday on his account as he requested.

What happened

Mr E spoke with MBNA on 27 March 2020 and advised them that he was struggling financially and that he was unable to work because of the Covid-19 pandemic. Mr E asked MBNA to implement a payment holiday on his account in line with upcoming government guidance.

Mr E contacted MBNA a few months later, and it was at this time that he realised that a payment holiday hadn't been set up on his account as he'd requested. So, Mr E raised a complaint.

MBNA looked at Mr E's complaint, but they said that they had explained to Mr E that they were unable to set up a payment holiday at the time that he called them on 27 March 2020 and that they had also explained to Mr E that he would need to call them back at a later date to request this. So, they didn't uphold his complaint.

Mr E wasn't satisfied with MBNA's response, so he referred his complaint to this service. One of our investigators looked at this complaint, but they accepted that MBNA had asked Mr E to call them back to arrange the payment holiday, so they didn't uphold the complaint either.

Mr E remained dissatisfied, so the matter was escalated to an ombudsman for a final decision.

What I've decided – and why

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

It's clear that Mr E feels strongly about this complaint, and I'm aware from my review of this complaint that Mr E suffered family tragedies in the period surrounding the events under consideration here. I offer my heartfelt condolences to Mr E in this regard, and I have taken onboard Mr E's comments that his personal situation was such at that time that he would have been in no position to have called MBNA back, had it been asked of him.

When reviewing this complaint, I first listened to the recording of the telephone call between Mr E and MBNA to understand what had been discussed at that time. I then took into consideration the temporary measures being implemented by the Financial Conduct Authority ("FCA") at that time, including the directives regarding temporary payment holidays, as well as Mr E's personal circumstances at that time..

Having listened to the recording of the telephone call between Mr E and MBNA on 27 March 2020, I can confirm that the MBNA representative did explain that he was unable to set up a

payment holiday at that time and that Mr E would need to call back to arrange this. The reason for this that was given was because a requirement to provide temporary payment holidays had not yet come into effect.

I have reviewed the timeline surrounding the FCA's directives concerning temporary payment holidays and I can see that, while it had been confirmed by the FCA that temporary payment holidays would be introduced, the requirement for businesses to offer these only came into effect from 9 April 2020.

One of the reasons that the FCA set the date that temporary payment holidays should be offered by businesses as 9 April 2020 was to allow businesses a period of time to make the necessary operational changes to allow them to comply with this directive. And this was done because not all businesses offered temporary payment holidays before this time and so would need some time to update their systems to allow for this new requirement.

And the MBNA representative confirmed on the telephone call that MBNA as a business was unable to offer a temporary payment holiday at the time that Mr E had called them – in March 2020 – and that Mr E would need to call MBNA back after the requirement to provide temporary payment holidays took effect because of this.

I can also confirm that the MBNA representative explained to Mr E that he was able to apply 30-days 'breathing space' to the account, during which time no interest or charges would be applied to the balance of the account. However, it was also explained that this measure was temporary, and that the status of the account would revert back to standard if Mr E didn't call before the end of the 30-day period to request that the temporary payment holiday be applied.

It's understandable, given Mr E's personal and family circumstances in the subsequent weeks and months, that he may have misunderstood that he was required to call MBNA back if he wanted to request a temporary payment holiday on his account. And I accept that Mr E's circumstances were such that he would not have been in the personal position to make such a call, had he been aware that it was required.

But it's difficult for me to conclude that MBNA acted unfairly or unreasonably here, and I say this because they did explain that Mr E would need to call back, and when Mr wasn't able to call back, they reverted the account back to its standard basis, as they had explained that they would do.

I understand that this complaint is very stressful to Mr E and that he is upset that missed payments are now recorded on his credit file. I can sympathise with Mr E in this regard, but I don't feel that I can reasonably ask MBNA to make any adjustments to Mr E's credit file at this time.

The reason I say this is that, as a provider of credit, MBNA have an obligation to make accurate reports to the credit reference agencies. I understand that Mr E's personal and family circumstances were such that he believed that he had arranged a payment holiday and didn't need to make payments at that time, but unfortunately, as explained above, that wasn't the case. And because the missed payment reports that MBNA have made to the credit reference agencies aren't inaccurate, I can't fairly ask MBNA to amend them.

I realise that this won't be the outcome to this complaint Mr E was wanting, but while I do sympathise with Mr E's personal circumstances, because I'm unable to reach the conclusion that MBNA have acted unreasonably or unfairly here - as I have explained above - it follows that I won't be able to uphold this complaint or ask MBNA to take any further action at this

time. I hope that Mr E will be able to understand, based on everything I have explained here, why I have made the decision that I have.

My final decision

My final decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr E to accept or reject my decision before 13 April 2021.

Paul Cooper
Ombudsman