

## **The complaint**

Mr S complains about the way that MBNA Limited has dealt with his credit card account.

## **What happened**

Mr S opened a credit card account with MBNA in January 2011 and he made a balance transfer of £8,900 to the account that month. He also made balance transfers to the account of £3,500 in September 2011 and £3,750 in October 2011. He was making payments to the account by direct debit but those payments stopped and his account went into arrears so MBNA withdrew his spending facility in June 2012. The balance on the account in July 2013 was £13,492.70 and Mr S set up a standing order to pay £330 each month. The balance was cleared in May 2018 but the standing order continued and, in October 2021, the account had a credit balance of £13,629.78.

Mr S asked for the credit balance to be refunded to him in November 2021 but that didn't happen because the account that he'd asked for the refund to be paid to was different to the account from which the standing order had been paid – but that wasn't properly explained to Mr S. He made five calls to MBNA about the refund before it was made to him seventeen days after his first call. MBNA paid him £30 for the distress and inconvenience that he'd been caused and reimbursed him for call costs of £14 and it then offered to pay him a further £250 of compensation. Mr S didn't accept that offer and complained to MBNA.

It said that it has security measures in place to ensure that funds are being correctly returned to customers and it apologised for the service and mis-information that Mr S had received. It said that it had offered to pay him £250 by cheque, which he'd declined, but he should contact it if he wished to reconsider. Mr S then complained to this service and says that £3,500 would be fair, reasonable and equitable financial compensation.

Our investigator didn't recommend that his complaint should be upheld. He didn't think that it was MBNA's fault that the credit balance grew to the level that it did or that it needed to pay interest on the refund. He said that he wouldn't expect MBNA to do anything further to resolve Mr S's complaint than to pay him the £250 it had offered (which was in addition to the £44 it had already paid).

Mr S has asked for his complaint to be considered by an ombudsman. He says that MBNA has behaved appallingly and has admitted that it was at fault and that it should have monitored his account and notified him about the credit balance. He says that it should have refunded the credit balance to him without delay and should pay him interest and equitable compensation for the distress and inconvenience that he's been caused.

## **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.

Having done so, I agree with the outcome recommended by our investigator for these reasons:

- MBNA has provided evidence to show that Mr S chose not to receive paper statements when he opened his credit card account in January 2011;
- he set up a standing order to make payments of £330 each month to the account in July 2013 when the account had a balance of £13,492.70 – as it was a standing order the payments were being sent to MBNA by Mr S rather than the payments being collected from him by MBNA as would have been the case with a direct debit;
- he continued to make payments to the account after May 2018 when the outstanding balance had been cleared so a credit balance started to accumulate in the account;
- MBNA has provided evidence to show that it continued to send text messages to Mr S to notify him that his monthly statement was ready to view online until January 2021 when it received a reply to say that the phone number was incorrect – and that it then tried to send an e-mail to him but the e-mail address for him was invalid;
- the terms and conditions of the account say: *“It is important that you check your statements (paper or electronic) and any other information we provide with them”*;
- I’m not persuaded that there’s enough evidence to show that MBNA was required to do more than it did to notify Mr S about the credit balance on his account and I consider that he was responsible for monitoring the balance on his account and checking his account statements;
- Mr S contacted MBNA about a refund of the credit balance of his account in November 2021 – but the balance wasn’t refunded to him because the account that he’d asked for the refund to be paid to was different to the account from which the standing order had been paid – but that wasn’t properly explained to Mr S;
- he made five calls to MBNA about the refund before he provided account statements to confirm his identity and the refund was then made to him, seventeen days after his first call;
- MBNA apologised for the service and mis-information that Mr S had received and paid him £30 for the distress and inconvenience that he’d been caused and reimbursed him for call costs of £14 - and it then offered to pay him a further £250 of compensation;
- there were clearly some issues with the customer service that Mr S received from MBNA in November 2021 which delayed the refund and which caused him to make five calls to it (and he’s described the time that those calls took) – but the refund was made to him within seventeen days of his first call to MBNA about it and it paid £44 to him and offered him further compensation of £250;
- Mr S says that he should receive interest on the credit balance but the terms and conditions of the account says interest isn’t paid on credit balances – and I’m not persuaded that there was any requirement for MBNA to pay interest to Mr S on the credit balance of his account;
- I consider that the apology from MBNA and its offer to pay him £250 compensation (in addition to the £44 that he’s already been paid) is a fair and reasonable response to his complaint; and
- I’m not persuaded that there’s any basis on which compensation of £3,500 would be justified in these circumstances and I find that, other than requiring it to pay to Mr S the £250 compensation that it’s offered to Mr S (if it hasn’t already done), it wouldn’t be fair or reasonable for me to require MBNA to pay him any other compensation or to take any other action in response to his complaint.

**My final decision**

My decision is that (if it hasn't already done so) MBNA Limited should pay to Mr S the £250 compensation that it offered to him.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr S to accept or reject my decision before 9 June 2022.

Jarrold Hastings  
**Ombudsman**