

The complaint

Mr R complains that MBNA Limited (MBNA) didn't default his account when he entered into a debt management plan (dmp) in June 2017. He would like MBNA to change the default date on his credit file from February 2018 to June 2017

What happened

The details of this complaint are well known to both parties so I won't repeat them again here, instead I will focus on giving the reasons for my 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.

Having done so I have reached the following conclusions:-

- I appreciate Mr R's concern that the earlier the default is registered the earlier it will come off his credit file. Mr R has told us that all his other creditors agreed to a June 2017 default date but that doesn't necessarily mean MBNA has to do the same. And I need to make it clear that, in this view, I can only consider MBNA's action not those of other organisations.
- MBNA sent Mr R a default notice in December 2018 advising it would default his account that month. It didn't do so as Mr R continued to make some token payments on his account which delayed the default until February 2018. I can understand why MBNA delayed the default but I agree with our investigator's view that, as it was clear Mr R's financial situation hadn't significantly changed in December 2017, there were grounds to default his account then as Mr R was already six months in arrears. I am pleased that, as a gesture of goodwill, MBNA has agreed to our investigator's recommendation to change the default date on Mr R's credit file to December 2017.
- I appreciate Mr R would still like the default date to be June 2017 but I don't think it's reasonable for me to ask MBNA to do this. There isn't an absolute rule as to when defaults should apply but usually they are applied when accounts are in arrears by three to six months. I don't think MBNA was unreasonable in not registering a default in June 2017 but in waiting until his account was in arrears before doing so.

My final decision

My final decision is that I uphold this complaint.

In full and final settlement MBNA Limited should alter the default date on Mr R's credit file to December 2017

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr R to accept or

reject my decision before 17 February 2023.

Bridget Makins
Ombudsman