

The complaint

Miss F complains that MBNA Limited closed her credit card account without telling her.

What happened

In August 2021, MBNA wrote to Miss F letting her know that her credit card account was part of their “use it or lose it” scheme. They explained that Miss F either had to use the card or let them know she wanted the account to remain open by 11 November 2021. MBNA didn’t hear back from Miss F and said the card hadn’t been used since May 2019. Because of this, the account was closed.

Miss F complained in October 2022. She wasn’t happy with MBNA’s decision to close the account and said she had never been told. She asked MBNA to reopen the account, as she wanted to retain her credit limit of £20,000.

MBNA responded and explained that due to the amount of time that had passed they were unable to reopen the account. Instead, they explained that Miss F could apply for a new card.

Our investigator looked into the complaint. He explained that he wouldn’t be able to ask MBNA to reinstate the account as too much time had passed meaning it wasn’t possible. However he did ask MBNA to award Miss F £100 in compensation as they weren’t able to provide a copy of the letter sent in August 2021, or any follow up correspondence letting Miss F know the account had been closed.

MBNA responded and were able to provide a screenshot of the mail merge file used to generate the letter that was sent to Miss F in August 2021. They asked whether this would change our investigator’s view, however our investigator still felt the compensation should be given as the screenshot didn’t show the date the letter was sent.

MBNA accepted and agreed to pay Miss F £100. However Miss F disagreed as she wanted her account to be reopened. Because of this the complaint was passed to me for review.

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 looked through everything, I agree with the outcome reached by our investigator for the same reasons. I will explain why.

The terms and conditions of Miss F’s account explain the agreement has no fixed duration and can be ended by MBNA or Miss F. They go on to say that if the account is going to be closed, they will give at least two months’ notice.

It’s quite common that banks will close accounts that haven’t been used for a long time. What I must decide is whether MBNA have done this fairly and given enough notice.

MBNA have provided documentation to show that Miss F last used her credit card in April 2019. It was then paid off in the same month.

MBNA aren't able to provide a copy of the letter sent to Miss F in August 2021. They have explained that the record "dropped" from their systems after 12 months but having looked at the historical data from the time, they can see that Miss F was sent the letter in August 2021. They have also provided a screenshot of the mail merge file that would have been used to generate the letter.

Miss F has said she was never told of the closure. She also said her account specified that she wanted paperless communication meaning MBNA should have told her about the closure via digital communication.

From the information MBNA have provided I believe it's more likely than not that the letter was sent. However as we don't have any solid evidence to show the date it was sent, nor do we have a copy of the letter, I agree with our investigator's recommendation that £100 in compensation should be awarded.

I note Miss F's preference for digital communication, but there are some occasions where a bank will send certain correspondence by letter only. The terms of the account explain that while MBNA will usually notify a customer of changes via their online secure inbox, they may also use post, provided they give at least 30 days' notice. Because of this, I don't find MBNA are at fault for sending Miss F a letter.

I understand this isn't the outcome Miss F wants. She wants the account to be reopened with the same credit limit, and I understand her reason for needing that limit is both very important, personal, and emotive. But unfortunately this isn't something I can ask MBNA to do.

Given the time that has passed, Miss F's financial circumstances may have changed. It wouldn't be responsible for MBNA to provide Miss F with a credit card limit of £20,000 without doing the checks that are needed first.

If Miss F would like a credit card, she will need to make a new application. MBNA have said she can check her eligibility on their website using their eligibility checker which will use a soft search. I find this to be reasonable.

While I know this isn't the outcome Miss F was hoping for, I hope I have clearly explained why I'm not able to ask MBNA to reinstate the account, together with the £20,000 limit.

My final decision

My final decision is that I partially uphold this complaint. MBNA Limited should pay Miss F £100 in compensation.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss F to accept or reject my decision before 14 March 2023.

Danielle Padden
Ombudsman