

The complaint

Miss C complains that Madison CF UK Limited trading as 118 118 Money continued to charge her a monthly fee for her account despite blocking her card and after she had cleared her outstanding balance.

What happened

Miss C says her 118 118 Money credit card charged a monthly fee. She says that after she had made a separate complaint to them, they had blocked her card, but they still continued to charge her the monthly fee, even though she couldn't use the account. She says once she had cleared her outstanding balance, she thought the account would close since the card was blocked, however, they continued to charge her for a service she couldn't use. Miss C made a complaint to 118 118 Money.

118 118 Money did not uphold Miss C's complaint. They said as she had a subscription fee based card, she's not charged interest but instead she has a monthly subscription fee which is charged regardless of usage. They confirmed they wouldn't be overturning the decision to block her account.

Our investigator upheld Miss C's complaint. He said he didn't think it had been considered that with the account blocked for further use and with no outstanding balance whether it was fair to charge the fee. And he didn't believe it was fair. So he said 118 118 Money should refund Miss C £25 and close the account as per Miss C's wishes. 118 118 Money did not respond to our investigators view of the complaint, so the complaint was passed to me for a 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.

Miss C's account did have a monthly subscription fee and she would have needed to agree to this when she opened the account. But there are times when a strict application of the terms and conditions lead to an unfair outcome for a customer, and I'm persuaded this is one of these times and I'll explain why.

Due to the separate complaint that Miss C raised, 118 118 Money put a block on Miss C's account. I'm persuaded this was fair to help limit any financial difficulty she had (and to prevent her increasing her outstanding balance). And I'm not persuaded it was unreasonable for 118 118 Money to charge her a monthly subscription fee when she had an outstanding balance on her account even if her account was blocked (as they charge a subscription fee as opposed to interest).

But I can see from the statements that Miss C has provided us that 118 118 Money charged her one last monthly subscription fee after her balance had been repaid. Given that the account was blocked so she couldn't use the card, and she expected the account to be closed when it had a zero balance (which I'm satisfied this is a fair expectation based on the

card being of no use to her because of the block and 118 118 Money's stance on this account), then I'm persuaded a strict application of the monthly subscription fee after the balance had been paid off, with the block still remaining on the account led to an unfair outcome here based on Miss C's individual situation here. It would be reasonable for them to refund this one fee. So it follows I'll be asking 118 118 Money to put things right for Miss C.

Putting things right

Our investigator suggested that 118 118 Money pays Miss C £25 to refund her last monthly subscription fee, and to close her account. As Miss C has confirmed to us the account is now closed, then I won't need them to close the account as our investigator suggested, but I think the £25 refund is still reasonable in the circumstances.

My final decision

I uphold this complaint. Madison CF UK Limited trading as 118 118 Money should pay Miss C £25.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss C to accept or reject my decision before 20 October 2023.

Gregory Sloanes
Ombudsman