

The complaint

Ms Y complains that MBNA Limited didn't support her when she was experiencing financial difficulties, and it also discriminated against her.

What happened

Ms Y has explained that she experienced a period of financial and health difficulties in 2023. In summary, she contacted MBNA about her situation and asked for some support. Ms Y said she wanted a low-interest loan to pay off the balance, however she was instead offered limited support options which included defaulting on the account or a short-term payment plan where arrears built up in the background. Ms Y said she didn't feel supported and felt MBNA was discriminating against her due to her mental health condition.

MBNA issued a final response letter. It explained that it had initially offered Ms Y a longer-term solution to the problem – closing the account – based on the income and expenditure information she provided. Following a revision of the budget, it then offered Ms Y a short-term plan where it suppressed interest on the card. Overall, it didn't agree it had done anything wrong.

Ms Y remained unhappy and brought her complaint to this service. One of our investigators reviewed matters and didn't recommend that Ms Y's complaint be upheld. In summary, he thought MBNA had provided support through applying interest-freezes, temporarily waiving interest and setting up a payment plan. He noted that Ms Y wanted MBNA to offer her the option of a consolidation loan, but he couldn't instruct MBNA to approve lending.

Our investigator also said Ms Y's complaint about discrimination would need to be raised separately with MBNA as it hadn't commented on matters in its final response letter. MBNA didn't dispute our investigator's findings, but Ms Y did and mostly repeated her earlier points. As an agreement couldn't be reached, the case was passed to me to decide.

I contacted the parties informally and explained I was intending to consider the concerns about discrimination in my decision as MBNA had been given the opportunity to consider them, although I wasn't minded to uphold the overall complaint for similar reasons to what our investigator outlined. MBNA responded to say it agreed with these findings and had nothing further to add. Ms Y responded and, in summary, reiterated some of her previous points. She also said she was unhappy that the relevant calls hadn't been listened to and these would show she had been discriminated against and not given a payment plan because of her mental health condition.

I'll now issue a formal decision on the matter.

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.

In this decision, I'll only comment on issues I consider to be the crux of the complaint, but I have considered all the information provided by both parties before coming to my decision. And I have listened to the relevant calls provided by MBNA in relation to this complaint.

I want to start by saying this has clearly been a difficult time for Ms Y, and I was very sorry to hear about what she's been through. I must, however, approach this matter objectively. And having done so, I haven't changed the opinion that I already expressed in my provisional findings. I'll explain my reasons why.

Ms Y says MBNA didn't support her during a period of financial difficulty and it discriminated against her due to her diagnosed mental health condition. I need to clarify that this service is unable to make findings on whether something constitutes discrimination as per the Equality Act 2010. This is because we're an informal, free alternative to the courts, and only a court of law can make a legal finding based on the definitions set out within the Act. However, I can consider whether MBNA has acted in a fair and reasonable manner, and in order to do that I'll take a number of things, including the Equality Act 2010, into consideration.

Ms Y contacted MBNA to ask for some support as she had experienced both health and financial difficulties. She said she thought this would only be a temporary situation and she was essentially looking for some breathing space. MBNA initially waived interest for a period of time and also placed a 30-day interest freeze on the account in February 2023.

In March 2023, MBNA then reviewed Ms Y's income and expenditure. This showed a negative disposable income, which meant Ms Y wouldn't have been able to afford any reduced payments towards her credit card. Therefore, I don't think it was unreasonable for MBNA to outline that defaulting on the agreement was an option at this point, which would stop the interest accruing altogether. And having listened to the call, I'm persuaded that this recommendation was made because Ms Y indeed had a negative disposable income and could benefit from no further interest being added onto the account, as opposed to any other reason. However, Ms Y had been clear that she didn't want to default on the agreement and she said she wanted to revise the income and expenditure figures she provided. So, MBNA applied another month's interest freeze at this point while Ms Y did this. Overall, I think MBNA's actions were reasonable here, and I didn't hear anything to suggest Ms Y was treated unfairly.

Following this, there was another conversation between Ms Y and MBNA in April 2023. Ms Y said she could now afford £150 each month towards the balance. A plan was set up for £150 a month for three months, with interest and fees paused during this period to give Ms Y some breathing space. On balance, I think MBNA's actions were reasonable here too – it reviewed Ms Y's circumstances in detail before putting her on a reduced payment plan that it was sure she could afford.

I acknowledge Ms Y would have preferred the option of a consolidation loan instead. When she discussed matters with MBNA, its advisers explained that the specific department Ms Y had contacted wouldn't be able to arrange this because it instead focused on offering support through payment plans and budget reviews. I don't think this was unreasonable, though I do accept that MBNA's advisers could have outlined how Ms Y could go about applying for the lending she wanted.

However, as I understand it, Ms Y hasn't yet taken steps to do this herself. And there's no guarantee that she would have been in any different of a position even if she did. Therefore, I can't conclude that MBNA has done anything wrong here.

Overall, whilst I acknowledge the difficult circumstances Ms Y has experienced, I think MBNA offered adequate support here. It both waived, and temporarily froze, interest and

charges, completed detailed budget reviews and also set up an affordable payment plan for Ms Y. It follows that I don't think MBNA treated her unfairly.

As I understand it, Ms Y said she was then able to keep up with the regular payments on her card and also references recent action taken such as more breaks. However, she also says she tried to reach out to MBNA again about difficulties she is facing but it wouldn't support her. It's important I explain that in this decision, I'm only able to comment on matters that have been raised with MBNA, and that it has had the opportunity to comment on. Therefore, I would encourage Ms Y to speak with MBNA's support team about any difficulties she may be experiencing currently. And if she remains unhappy, she may be able to complain to MBNA and bring those concerns to this service if she wishes.

My final decision

My final decision is that I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms Y to accept or reject my decision before 4 March 2024.

Hana Yousef
Ombudsman