

The complaint

Mr B complains that Lloyds Bank PLC trading as MBNA replaced his credit card without telling him or sending him a new one, meaning he was unable to take advantage of an interest-free promotion.

What happened

Mr B holds a credit card account with MBNA. In May 2023, he tried to use his card to pay for a new car, but the transaction was declined. He called MBNA and found out that it had replaced this card several months earlier. This meant the card he was trying to use was no longer valid, even though the expiry date hadn't passed. He says he didn't know that MBNA had replaced the card and he hadn't received a new one. He says MBNA told him during the call that, even though the card he held had been stopped, no replacement had been issued because of a system error.

Mr B says that MBNA told him it would issue a new card which would arrive within three to five days. He says he waited a few days, but the new card didn't arrive. He says that, by this time, he had to make the payment for the car, so he used a money transfer to complete the transaction. He was able to do this without having received the new card.

But Mr B says he's out of pocket as a result. He says he had been offered a 0% interest promotion on credit card purchases and planned to use this to buy the car. But, because the card he held wasn't valid and he didn't receive a replacement in time, he couldn't complete the transaction as a card purchase and missed out on the offer. He says he had to use a money transfer instead, which incurred interest. He says this wouldn't have happened but for MBNA's system error and the delay in him receiving a replacement card.

When Mr B complained, MBNA said that the original card for his account had been revoked. But it said that a new one had been generated and sent successfully in January 2022, so it didn't uphold the complaint.

Mr B wasn't happy with MBNA's response and brought the complaint to this service. I issued a provisional decision on 30 January, saying that I didn't intend to uphold the complaint. Mr B didn't accept the provisional decision. He said he wouldn't have had any problems if MBNA hadn't made a mistake by stopping his original card. So, he said that MBNA is at fault here. He said it had accepted some level of fault at the time and offered him £50. I asked MBNA about this, and it said it had offered Mr B £25 when he first raised the complaint, but he had rejected this.

I'm now making a final decision about the complaint.

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.

I'm sorry to disappoint Mr B, but I haven't seen anything which changes my mind about the outcome of this complaint. So, I'm not going to uphold it. My reasons are set out again below.

Where the evidence is incomplete or inconclusive, as some of it is here, I reach my decision on the balance of probabilities – that is, what I consider is most likely to have happened, in light of the evidence that is available and the wider surrounding circumstances.

There have been several cards generated on Mr B's account since it was opened, but I find that he wasn't aware of them all. I'm satisfied that, until last month when he received a new card from MBNA, Mr B has had just one card which was issued to him in January 2022. This is the card he tried to use for the cash purchase in May 2023. I'll call it "Card 1".

I asked MBNA about all the different card numbers on Mr B's account records. It said that, shortly after his account was opened, it decided to close it, meaning the original card became invalid. This decision was reversed almost immediately and the account remained open. MBNA said that Card 1 was generated and sent to Mr B at this point. But it said this was marked as lost on the same day. MBNA attempted to generate a new card to replace Card 1, but the first attempt failed. It says the second attempt was successful and another card was issued in January 2022 (I'll call this "Card 2").

It's not clear to me why Card 1 was marked as lost as I'm satisfied Mr B received it. But I find that Card 1 was no longer valid when Mr B tried to use it in May 2023. That's because MBNA had issued Card 2.

I find that Card 2 was the valid card for Mr B's account from the end of January 2022 until early May 2023. His statements between February 2022 and April 2023 show his credit card number as that of Card 2.

Mr B made an initial money transfer when the account was opened and didn't use the account again until the attempted transaction in May 2023. So, there were no declined transactions on Card 1 until May 2023. The expiry date on Card 1 hadn't passed at that time and I haven't seen anything to suggest Mr B would have been expecting Card 1 to be replaced. I find that Mr B didn't receive Card 2. So, I don't think he could have known that Card 1 had been replaced. His statements did show the number of Card 2, not Card 1, but I don't think it's unreasonable that Mr B hadn't noticed this in the circumstances.

Mr B didn't receive Card 2. Nor did he receive the card which MBNA issued in May 2023. I find that both these cards were generated by MBNA. MBNA says they were both sent out to Mr B in the post. I haven't seen the covering letters as MBNA says it doesn't keep copies of these. But I have no reason to doubt that the cards were sent and I've seen a text message from MBNA to Mr B confirming that a card was sent to him in May 2023. It's very unfortunate that neither of the cards reached Mr B. But I'm satisfied that MBNA holds the correct postal address for him and he says he received a PIN through the post. So, I can't conclude it was MBNA's fault that Mr B didn't receive the cards.

Mr B says that, when he called MBNA in May 2023, he was told it had replaced his card in October or December 2022 but, due to a system error, the new card wasn't sent to him. I asked MBNA for a recording of this call. It hasn't provided this, so I can't make any detailed findings about what Mr B was told. I haven't seen any evidence of a card being generated in October or December 2022. I find that, after Card 2 was generated, no further cards were generated until May 2023. I find that there was an issue with a card not being generated correctly in January 2022. But Card 2 was subsequently generated successfully. I think it's likely this is the system error MBNA was referring to. But it seems that MBNA didn't explain the situation to Mr B clearly.

Turning to Mr B's car purchase, I understand that this took place on or around 5 May 2023. Mr B wasn't in possession of a working card on that date. But MBNA says it had ordered a new card and the details were held on Mr B's online banking facility, meaning he was able to complete a money transfer. The money transfer completed on 5 May 2023. So, although Mr B hadn't received the new card, that didn't stop him completing the car purchase.

The evidence I've seen indicates that the failed transaction on Card 1 took place on 4 May 2023. The money transfer took place successfully the next day. So I find that MBNA acted promptly to resolve the situation for Mr B.

But he says that, if he'd had a working card on that date, he could have used a 0% card purchase offer to pay for the car. He has provided a screenshot showing that MBNA was offering 0% interest on card purchases at the time. I'm not sure where the screenshot was taken from so I can't be sure whether the offer applied to Mr B's account. But MBNA doesn't dispute that the offer was in place and has confirmed that Mr B would have needed to use Card 2 to make a 0% purchase.

So, it seems that Mr B may have missed out on the offer by not having a valid card. He says he had to use a money transfer instead and that MBNA should cover the interest associated with that.

It appears to have been either a mistake or a decision by MBNA to revoke Card 1. But that wouldn't have caused a problem if Mr B had received Card 2. I find that MBNA issued Card 2. I can't safely conclude it was MBNA's fault that Mr B didn't receive it. It's unfortunate that the issue didn't come to light for a long time because Mr B wasn't using the account. But that wasn't MBNA's fault. It only became apparent there was a problem when Mr B tried to use his card in May 2023. It's understandable that this was stressful for Mr B, particularly as he was trying to make a one-off, large purchase. But I don't think MBNA could have known before this that he hadn't ever received Card 2.

Even if it was MBNA's fault that Mr B didn't receive Card 2, I don't think this caused him to incur interest on the car purchase. I haven't seen any details of Mr B's car purchase or when he committed to this. His evidence is that he was made aware of the 0% interest offer on 2 May 2023. He attempted the purchase just two days later. When this was unsuccessful, he contacted MBNA which said it would send him a new card.

If it was important to Mr B to fund the purchase without incurring interest, I'd expect him to have waited for the new card rather than use a money transfer which attracted interest. He says that MBNA told him the new card would arrive within three to five days. But he didn't wait that long: he completed the money transfer on 5 May. We now know that the card never arrived. But, even if it had arrived within the timescale given by MBNA, the evidence shows that Mr B would already have gone ahead with the money transfer.

In the circumstances, I don't think it would be reasonable to ask MBNA to reimburse the interest which Mr B has paid on the money transfer.

Mr B says that MBNA has already accepted some level of responsibility because it offered him £50 when he complained. I asked MBNA about this; it said it had offered Mr B £25 without admission of liability due to the inconvenience he felt it had caused, but Mr B had rejected the offer. This is supported by the evidence I've seen. MBNA has confirmed that this goodwill gesture remains available.

Mr B should contact MBNA directly if he now wishes to accept this. But I'm not going to ask MBNA to do anything to resolve the complaint. That's because, even though Mr B's

experience was very frustrating and stressful, I don't find that MBNA was responsible for the problems he experienced or caused any loss.

My final decision

For the reasons above, I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr B to accept or reject my decision before 14 March 2024.

Katy Kidd
Ombudsman