

The complaint

Miss K complains that MBNA Limited applied a missed payment marker to her credit file even though she made the required payment and MBNA had confirmed it had been received. She wants her credit file fixed and a higher amount of compensation than was paid for the stress and inconvenience she has been caused.

What happened

Miss K made a payment of £150 towards her MBNA credit card on 18 September 2023 to meet her September payment. She then paid £200 to cover her October payment which wasn't due until 27 October. Miss K received notifications about her October payment and contacted MBNA and was told her payment had been received and not to worry. However, a missed payment was then applied to her account. She contacted MBNA and was told that as she had made her payment on the same day as her statement was issued, the payment had been applied to the previous month. Miss K raised a complaint.

MBNA issued a final response dated 18 November 2023. It said that the arrears had been removed and it confirmed there was no late payment marker on Miss K's credit file. It said it would pay her £35 compensation for the poor service she received.

Miss K wasn't satisfied with MBNA's response and referred her complaint to this service. She said her credit score had been affected and while MBNA said it would amend her credit file this hadn't happened. She also wanted a higher amount of compensation for the stress and inconvenience she had been caused.

Our investigator didn't uphold this complaint. She noted that Miss K's October payment was made before the statement was generated and therefore considered as an additional payment towards the previous month's balance. She didn't think that MBNA had done anything wrong regarding this. However, when Miss K contacted MBNA on 25 October she was told her account was in order and this wasn't correct. Our investigator noted that MBNA had acknowledged a mistake was made and provided evidence that the account was being recorded as up to date and the late payment marker removed. She noted that Miss K had been paid £20 on 2 November 2023 and a further £35 on 18 November and thought the total compensation was reasonable in this case.

Miss K didn't agree with our investigator's view. She reiterated that she called ahead of the statement to check her payment had been received and that the issue had affected her credit score. She said the compensation paid wasn't for her credit score being affected but because she had to keep phoning MBNA as it was sending her messages asking her to make payment and claimed she missed her October payment and then needed to pay double in November.

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 understand how frustrating this issue has been for Miss K and I note the comments she has made about the impact on her credit score. But for me to uphold this complaint I would need to be satisfied that MBNA had done something wrong and not taken adequate action in response to this.

Miss K made a payment in time to meet the amount required for her September payment. After the September payment date (on 2 October) she made a payment of £200. Given she made this payment after the September payment date I can understand why she thought this would be allocated to the payment due in October. However, as Miss K's October statement was only generated on 2 October, after her payment had been received, the £200 was deducted from her account balance before the statement was produced and therefore didn't count towards the amount she was required to pay on 27 October. MBNA has explained the statements are system generated and any payment made before the statement is produced will be allocated to the previous month. So, while I can understand why Miss K thought given the timing of her payment that it would be allocated towards her October payment, as her October 2023 statement showed the £200 being deducted from her balance and a further amount being due, I do not find I can say that MBNA's action in this case was wrong or that it treated Miss K unfairly.

However, I do appreciate why Miss K thought she had made her October payment and when she called MBNA on 25 October (before the October payment was due) and explained she had already made the October minimum payment she was told the payment had been received and the account was fine. While it was right that the £200 had been received, the October minimum payment was still due, and she should have been told this.

Where a mistake has been made, our role isn't to punish the business but instead to ensure that the customer is put back in the position they would have been had the mistake not happened and, where appropriate, award compensation. In this case, a late payment marker was applied to Miss K's credit file, and I find that had she been provided with the correct information on the call on 25 October this could have been avoided. MBNA said that it would remove the arrears and late payment marker from Miss K's account. I find this a reasonable resolution and it puts Miss K back in the position she would have been had her payment been allocated to the October statement. While I note Miss K's comment about the marker still being present on her December credit report, MBNA has explained the timescales involved in amending the credit file and has provided evidence to show that the late payment marker has been removed. Given this I find it has taken the action it said it would and I find this was a reasonable response.

Miss K was paid compensation but says this was because she had to make several calls to sort the issues on her account (including being asked to make a double payment in November due to the problem with the October payment). She says that she hasn't been compensated for the impact this issue had on her credit score and doesn't consider the compensation sufficient. While I note Miss K's comments, having looked through the issues raised, I find that the removal of the late payment marker was a reasonable response to her complaint. I appreciate it took time and that Miss K had to make calls to resolve the issue but, in this case, taking this all into account and acknowledging the action MBNA took when it was made aware of the issue, I think the compensation that has been paid is reasonable.

Based on the above, I do not require MBNA to take any further action.

My final decision

My final decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss K to accept

or reject my decision before 4 June 2024.

Jane Archer
Ombudsman