

The complaint

Mr H complains that MBNA Limited hasn't provided him with the service it should have regarding payments to his credit card account.

What happened

Mr H has a MBNA credit card and says that MBNA changed his monthly direct debit to take the minimum payment, rather than the full balance amount. This has meant he has incurred interest and accrued a substantial balance on his account.

MBNA issued a final response letter dated 11 July 2023. It said that the change from paying the full balance amount to the minimum amount was made in January 2019 and so it fell outside of the time limits for making a complaint. But after the complaint was referred to this service MBNA agreed that it had been raised in time.

Our investigator didn't uphold this complaint. He said that Mr H's statements showed he was only making the minimum payments and that as Mr H was for a time also making additional manual payments this suggested he was aware that his direct debit wasn't taking the full amount each month. He said that Mr H had opted for online statements in November 2017 and he couldn't hold MBNA responsible if Mr H didn't review these.

Mr H didn't accept our investigator's view. He agreed that he had changed from paper statements to online statements but said he didn't change his direct debit to only take the minimum payment. He said that MBNA's systems should be able to show who initiated this change and he noted that he hadn't received any notification from MBNA about this happening. He said that MBNA had a duty of care, and he hadn't been provided this causing him inconvenience, distress and financial loss.

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 distressing this issue has been for Mr H and I appreciate that he is now in a position he wasn't expecting regarding his MBNA account.

Mr H said he had paid the full monthly balance on his account and has provided copies of statements from 2017. These show that he was making payments to the account by faster payments at that time. He then set up a direct debit and received a letter from MBNA about this in November 2017. The letter doesn't state whether the direct debit is for the full balance, but I note that the evidence provided by MBNA shows that the direct debit instruction was changed in January 2019 from 'full' to 'minimum'. Therefore, I find it reasonable to accept that before the change in January 2019, Mr H was paying the full balance on his account each month.

The information provided doesn't show whether the direct debit change was based on an instruction from Mr H and I can see that MBNA has tried to find further details but hasn't

been able to provide a conclusion to this point. I can see that following the change Mr H was still making a payment to his account additional to the direct debit which could suggest he was aware that he wasn't clearing the balance in full each month, although I note Mr H's comments about this payment. MBNA has also said that from March 2019 Mr H was contacted with confirmation about his payments. So, while I cannot say for certain why the change was made, I think it reasonable to accept that Mr H had the information available to him to be aware of the change.

MBNA has said that Mr H had online banking set up from 2017 and so his statements were set to be viewed online. Mr H agreed that this had happened. I have seen copies of the statements provided during the period when Mr H's direct debit was for the minimum payment only and these are clear as to the activity on his account and payments made. Therefore, I find that Mr H had the information available to him to understand the status of his account.

I understand that Mr H feels he hasn't been treated fairly as the change to minimum payments meant interest accrued and his balance wasn't cleared. But Mr H was aware his statements were being posted online and these set out the payments being made to his account and the outstanding balance. It was Mr H's responsibility to check his statements to ensure they were correct and raise any issues at the time. I note Mr H's comment that he didn't check his statements but trusted that his account was being managed correctly but I find it reasonable that he would have noticed his payments were less than the amount he was spending on his card each month. Given this I think it reasonable that he would have checked this.

Therefore, on balance, as I cannot say for certain why the change was made to the payments on Mr H's account, and I find that Mr H had the information available to him to be aware of his account and the payments being made, I do not find I can uphold this complaint.

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 Mr H to accept or reject my decision before 15 April 2024.

Jane Archer
Ombudsman