

The complaint

Mrs V complains that MBNA Limited refused to amend her credit file after saying that it would do so.

What happened

Mrs V went to India on 22 November 2022. Whilst she was there, her phone stopped working and she had to buy a new one. Mrs V transferred all of her apps and data to her new phone but was unable to download the MBNA app. Each time she tried to download the app, she received a message saying that she couldn't register and to contact customer services.

Mrs V returned to the UK in January 2023. She made a payment to clear her account on 20 January 2023 and called customer services to make sure it had gone through. The agent advised Mrs V that she had missed two consecutive payments in November and December. Mrs V complained and said that this wasn't her fault as she had been unable to download the banking app whilst she was abroad. Mrs V said she'd tried to call customer services to discuss the matter but after being placed on hold for over 30 minutes her call hadn't been answered. The agent refunded £7.03 worth of interest and advised Mrs V that her credit file would be amended to remove the record of the missed payments. Mrs V was also awarded £65 compensation for distress and inconvenience and £10 to cover call costs.

Later that year Mrs V contacted MBNA because her credit file hadn't been amended. MBNA reopened the complaint and issued a final response in which it said that it had made an error when it advised Mrs V that it would amend her credit file. It said it would provide feedback to the agent who had given this advice to prevent it from happening again and paid compensation of £40 for the error.

Mrs V remained unhappy and brought her complaint to this service.

Our investigator didn't uphold the complaint. He said he didn't think MBNA had acted unfairly by applying the late payment markers, because it was Mrs V's responsibility to make her payments on time. He said the compensation paid for the incorrect advice was fair.

Mrs V didn't agree. She said that MBNA had told her that her credit file would be amended, and she didn't think MBNA should get away with providing incorrect information by just giving compensation.

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.

There's no dispute that Mrs V missed two payments. The first missed payment was due by 28 November 2022. The second missed payment was due the following month.

Mrs V accepts that she missed the payments. She says this was because her phone

stopped working whilst she was in India, and she wasn't able to get her banking applications – including the MBNA app - to work on her replacement phone.

Mrs V has told this service that she tried to call MBNA from India to sort things out and had every intention of making her payments.

I've thought about what Mrs V has said. However, the November payment was due by 28 November 2022 which was the day that Mrs V says she went to India. I haven't seen anything to suggest that Mrs V wouldn't have been able to make the November payment before she went on holiday. I'm not persuaded that Mrs V's failure to make the November payment was anything to do with her phone issues, because these issues occurred after the payment due date.

In relation to the payment due in December, I have no reason to doubt what Mrs V says about being unable to use the app whilst in India. However, there were other ways in which Mrs V could have made the December payment, for instance online or by telephone.

MBNA has acknowledged that Mrs V was provided with incorrect advice when she spoke to them about the missed payments. There's no dispute that the agent advised Mrs V that her credit file would be amended.

I've thought about the impact of the incorrect advice on Mrs V. She clearly thought that the late payment markers would be removed from her credit file. So, her expectations were raised in this respect. However, the error doesn't alter the fact that Mrs V missed two payments. And whilst I understand that there were reasons for the missed payments – or at least a reason for the December missed payment – I'm unable to say that the issues with the phone or the app were MBNA's fault, or that MBNA was in any way responsible for the missed payments.

The error that MBNA made in this case was the provision of incorrect information, which is a service failure. I'd expect MBNA to pay compensation for a service failure, but I wouldn't be able to ask it to remove a late payment marker where it hasn't been reported in error. Lenders are under an obligation to report accurate information to the credit reference agencies and in this case, I'm satisfied that the late payment marker has been correctly reported by MBNA.

Taking everything into account, I'm satisfied that MBNA has done enough to resolve the complaint. The compensation offered for the service failure is fair and reasonable. I won't be asking MBNA to do anything further.

My final decision

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

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs V to accept or reject my decision before 25 May 2024.

Emma Davy
Ombudsman