

The complaint

Mr A complains that MBNA Limited closed his credit card account.

What happened

Mr A held a credit card account with MBNA.

On 20 June 2024 MBNA wrote to Mr A and advised him that it was going to close his account 2 months from the date of the letter.

Mr A contacted MBNA to complain. He was unhappy that the bank had made the decision to close his account and said he wanted to know the reason why.

MBNA didn't uphold the complaint. In its final response dated 12 July 2024 it advised Mr A to check with the credit reference agencies and to contact them if there was something on there that wasn't correct.

Mr A remained unhappy and brought his complaint to this service. He said he wanted to know the reason for the closure of his account. He was also concerned that the closure of his account would impact on his ability to obtain credit in the future. Mr A said he wanted his card reinstated and compensation for the distress and inconvenience caused.

Our investigator didn't uphold the complaint. He said he'd reviewed the evidence from both sides and found that MBNA hadn't done anything wrong.

Mr A didn't agree so I've been asked to review 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.

MBNA's terms and conditions allow it to reduce a credit limit or limit a customers ability to use their card or close an account. The terms and conditions state that MBNA will normally give 2 months' notice if it closes an account, but that accounts may be closed immediately in exceptional circumstances.

In this case I can see from the letter dated 20 June 2024 that MBNA gave 2 months' notice.

MBNA has said that it took the decision to provide Mr A with notice of the closure of his account following a review. It explained to this service that it reviews credit card accounts regularly to make sure the lending being offered is manageable, taking into account internal information on the customers account /history with the bank, and information provided by the credit reference agencies.

Mr A wants to know the specific reason why his account was closed. He's said that there is no financial reason why the account should be closed, and he wants to know which credit reference agency and which factors were involved in the decision.

MBNA doesn't have to disclose the specific reason why the account was closed as this is considered to be business sensitive information. I'm unable to require MBNA to provide Mr A with the specific reason(s) for the decision to close the account.

What I am able to do is look at whether MBNA treated Mr A fairly when it took the decision to close the account. I've reviewed the information provided by MBNA about the decision and I'm satisfied that it has applied its lending criteria and followed its processes correctly. I haven't seen any evidence to suggest that MBNA has made an error or treated Mr A unfairly when reviewed the account and took the decision not to re-issue the card and close the account.

I appreciate that Mr A has got concerns that the decision to close his account has been made based on inaccurate information held by the credit reference agencies. He's gone on to comment on how he thinks MBNA might have interpreted certain information within his credit file.

MBNA previously explained to Mr A that he may want to check credit file agencies such as Equifax, Trans Union and Experian to make sure that there isn't anything there that shouldn't be, and that if there is something on there that isn't correct, Mr A should contact the credit reference agencies directly to have it rectified. I can see that Mr A told MBNA that he was aware of information on his credit file relating to an IVA which held incorrect dates. I can't see from the information available on the file whether Mr A has taken steps to have any inaccurate information rectified.

I understand how frustrating this has been for Mr A. I also understand his concerns about the impact of the account closure on any future applications for credit he might make. However, as I've explained above, the terms and conditions allow MBNA to close an account at any time, and in the absence of any evidence to suggest that MBNA has made an error or treated Mr A unfairly in carrying out its review and reaching the decision to close the account, I'm unable to ask MBNA to reinstate the card.

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 Mr A to accept or reject my decision before 11 November 2024.

Emma Davy
Ombudsman