

The complaint

Miss D has complained about how MBNA Limited handled her loan application, and the delay in receiving the funds.

What happened

On 12 August 2024, Miss D applied for a loan with MBNA. However, she was later told she'd need to reapply. Ultimately, she received the funds on 18 September 2024.

MBNA acknowledged that a complaint Miss D has made hadn't been logged, and offered £80 compensation. Miss D then brought her complaint to our service. She explained she'd not received the compensation. Further, as this loan was taken out to consolidate her debt, the delay meant that she paid more fees and charges.

One of our investigators looked into what had happened. She could see there had been a system issue, which caused the first loan application to be delayed. There was also a delay in MBNA advising Miss D of this, and she had to apply for the loan again. She also had to spend time trying to find out what was going on.

Whilst our investigator was considering the complaint, MBNA increased its offer by £150 – so the total compensation would be £230. It also said it would reimburse Miss D for the financial detriment caused (i.e. the fees and charges connected to the delay in receiving the funds, thus delaying her debt consolidation). Our investigator thought this was fair, and said that Miss D should provide MBNA with evidence of these charges.

Miss D disagreed. She doesn't feel the compensation reflects the social and psychological impact the events have caused.

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.

Having done so, I agree that MBNA's new offer is fair. I know this will be disappointing for Miss D. I'm aware the matter had been very upsetting and worrying, and I don't underestimate that. I'm very sorry to hear of how Miss D was affected. But, I'm satisfied that £230 compensation is reasonable, and is in line with awards made by our service in similar circumstances. I think it's a significant amount, and fair to address what went wrong.

Putting things right

To put things right, MBNA should:

- pay Miss D a total of £230 compensation for the distress and inconvenience caused; and
- reimburse any relevant fees and charges she incurred in the month of the delay, subject to her providing it with reasonable evidence of these.

My final decision

It's my final decision to uphold this complaint. I require MBNA Limited to take the actions set out above, in the section entitled 'Putting things right'.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss D to accept or reject my decision before 24 June 2025.

Elsbeth Wood
Ombudsman