

The complaint

Mrs A has complained that MBNA Limited closed her credit card account without notice. It then didn't explain how to pay the balance.

What happened

Mrs A took out an MBNA credit card in June 2024, with a 0% interest rate on purchases made in the first 60 days. However, in September 2024, MBNA contacted Mrs A, to say it was closing the account with immediate effect. It said she'd need to make monthly repayments, until the balance had been paid off.

Mrs A asked MBNA why this had happened, and explained she couldn't pay the balance immediately, but would have done so within the interest-free period. MBNA responded to say it could close the account with immediate effect under the terms and conditions, and it gave a contact phone number for if Mrs A had any questions.

Mrs A has explained she had opted for paperless statements, but couldn't access the account app, so didn't know how much she needed to pay, or when. She again contacted MBNA to ask why the account had been closed, how to pay, and what information had been recorded about her. MBNA responded to say the balance could be paid by phone or bank transfer, and that it would now send paper statements. It said promotional offers had been withdrawn, in line with the account terms. It confirmed that it would record the account as closed on Mrs A's credit file when paid in full – and if any payments were missed it would also report those.

Mrs A then complained to our service. She explained that MBNA had said she'd missed payments, even though she'd been making the same repayments she'd made previously. This was because MBNA had removed the promotional interest-free period, so minimum repayments were now higher than before. Further, Mrs A has explained some correspondence quoted a different card number from the one issued to her.

One of our investigators looked into what had happened. But, she was satisfied that the terms and conditions allowed for the account to be closed as it had been, including that notice need not always be given.

It seems that MBNA has explained that when it reviewed the account, it established that Mrs A's application hadn't met its requirements. Unfortunately, a card had already been issued and used. So, our investigator looked at what happened as a result of this.

Mrs A has explained she wasn't aware of what repayments she needed to make, and that the promotional offer had ended, meaning repayments were higher than they'd previously been. However, our investigator was satisfied that MBNA had said in its September 2024 closure letter that Mrs A should continue to pay each month until the balance was repaid, and offered support if you she wasn't able to pay it. It gave phone numbers for queries. In its final response dated 18 October 2024, it gave two further numbers for any questions. So, Mrs A could have asked for clarification. Further, once paper statements were sent, Mrs A still didn't make the minimum repayments.

Our investigator noted that from the November 2024 statement onwards, the 0% interest rate promotion was noted as withdrawn and late payment charges were made. The account terms state: “you will lose any promotional offers if we do not receive your minimum payment on time or you go over your credit limit.” MBNA also sent text messages on 14 and 15 November 2024 to say the promotional rate will be lost on the account, and an email on 19 November 2024 to say the promotional rate had ended due to an overdue payment.

Our investigator could also see that Mrs A had transferred the account balance to another provider. However, this hadn’t included interest incurred for the period between the previous statement and the transfer, and it was reasonable for MBNA to continue to seek this payment.

As regards a different card number being quoted in some correspondence, this was because a second credit card was allocated to the account, but it wasn’t sent due to the account closure. This explained the seeming discrepancy.

Mrs A disagreed, and said that she’d only received three letters from MBNA, and had never received a paper statement.

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’m not upholding it, and this is for the same reasons as those given by our investigator.

I know this will be very disappointing for Mrs A. But, I’m satisfied that MBNA was acting within the terms and conditions of the account when it closed it, as the terms and conditions expressly provided for this.

I’m also satisfied that it sent paper statements, to the correct address (the same as the one our service has on file), so it’s unclear to me why Mrs A didn’t receive these. But, she had contact numbers for MBNA, so could reasonably have queried what was still outstanding.

I can see this has been a very stressful time, and I’m sorry to hear that. It’s also unfortunate that MBNA issued the card somewhat prematurely. However, the money was owing, so it was reasonable for MBNA to require it to be repaid. And I think it took reasonable steps, by sending statements, to make Mrs A aware of what the minimum repayments were, and signposting her to help if she needed it.

My final decision

For the reasons given above, it’s my final decision not to uphold this complaint.

Under the rules of the Financial Ombudsman Service, I’m required to ask Mrs A to accept or reject my decision before 8 September 2025.

Elspeth Wood
Ombudsman