

The complaint

Ms K complains that MBNA Limited has recorded adverse information on her credit file in relation to a credit card account she had with it.

What happened

Ms K says that as a result of some very difficult personal situations, she got into difficulty repaying her debt. She was in contact with MBNA about the credit card debt, and she initially felt like it was supporting her. However, she says she was disappointed to find that MBNA had recorded adverse information on her credit file and passed the servicing of the debt to a debt collection agency.

Ms K says that the impact of the information on her credit file has meant that she'll find it difficult to get a job and it will have implications for her ongoing divorce proceedings.

In response to Ms K's complaint, MBNA didn't think it had done anything wrong. When it wrote to this Service, it explained that it had defaulted and closed Ms K's account due to non-payment. It said it had sent Ms K letters to let her know the status of the account.

The Investigator considered what both parties had said, but ultimately, they didn't think MBNA had done anything wrong. The Investigator set out a timeline as to what had happened, explaining that MBNA had put various holds on the account. But overall, because no payment had been made to the account, and because Ms K hadn't contacted MBNA following the letters it sent her, they didn't think it unreasonable that MBNA defaulted and closed the account.

Ms K said she was devastated by the outcome the Investigator reached and asked for an Ombudsman to consider 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.

Having done so, while I know this will disappoint Ms K, my view is that MBNA hasn't done anything wrong here. I'll explain why but, in doing so, I've focussed on the crux of the matter; I haven't commented on everything Ms K has set out to us, even though I have considered it. I don't mean any discourtesy in that approach, it's simply to align with our purpose as an informal service.

The Information Commissioner's Office (ICO) says that when a consumer is at least three months behind with their payments then a default may be registered. It also says it would *expect* a default to be registered by the time the consumer is six months behind with their payments. That's just what happened here.

Ms K was in a sustained period of arrears – beginning in July 2024 – with one repayment of £500 being made in October 2024, but this wasn't enough to clear the arrears, and it wasn't

enough to remedy the breach in the default notice. Because of this, alongside the lack of contact from Ms K following a letter it sent her in November 2024, her credit card account was closed and a default reported to the credit reference agencies in December 2024.

On the face of it then, MBNA complied with the guidance set out by the ICO. While I can understand this whole scenario was brought about by a change in Ms K's personal circumstances, which in turn affected her financially, that doesn't mean MBNA was wrong to proceed to default given the persistent state of arrears on the account.

I have considered the level of contact MBNA had with Ms K, to ensure that it communicated the position of the account with her. I note that the Investigator has set out a timeline of what happened, and so I don't intend to do the same here. But based on this, I'm satisfied that in the lead up to the default, MBNA had tried to help Ms K by offering 30 day holds to the account. It also contacted her to ask her to set up a repayment plan, but it didn't hear back from her. It also issued her with a default notice, setting out that intended to default the account, and what she'd need to do to prevent this. Because of this, I'm persuaded MBNA did enough to communicate with Ms K prior to the default being issued. So, I can't fairly find that the action it took was unreasonable.

I understand Ms K is concerned about the effects a default might have on her. But MBNA has a responsibility to report accurate information to the credit reference agencies. And as I've already explained, I think the default is an accurate reflection of how Ms K has managed the account.

I do have a lot of sympathy for Ms K here, she's clearly been through and is still going through a very difficult time. But being impartial means I must take a step back and consider what both parties have said. And in doing so, I haven't found that MBNA has done anything wrong, and so I can't ask for it to remove the default for Ms K.

My final decision

For the reasons set out above, I don't uphold Ms K's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms K to accept or reject my decision before 4 August 2025.

Sophie Wilkinson
Ombudsman