

The complaint

Mr P complains about the way in which MBNA Limited administered his account.

What happened

Mr P held a credit card account with MBNA from October 2019 until January 2025.

Mr P's account fell into persistent debt. On 16 May 2023 MBNA placed a permanent block on the card and sent an SMS message and a letter to Mr P to advise him that he would no longer be able to use the card for spending but would still need to pay off the balance. The letter stated that once the balance had been paid off, the account would be closed and registered with the credit reference agencies. Mr P made payments to the account each month.

In October 2024 Mr P received a letter advising him that he was no longer in persistent debt. On 5 November 2024 MBNA sent a letter to Mr P advising him that he could use the card again. Mr P's card had expired so in January 2025 he called MBNA and asked them to send him a new one. The agent advised Mr P that his account had been closed.

Mr P complained to MBNA. He said he'd been misled into believing that once he'd paid the balance, he would be able to use the card again. Mr P said he'd never received a letter advising him that the account would be closed permanently once he'd paid the balance.

In its final response, MBNA said it had blocked spending on the card in May 2023 and had sent a letter to Mr P explaining that once the balance was paid the account would be closed. MBNA said that the letter advising Mr P that he could use his card again had been sent in error. It apologised for any confusion this had caused to Mr P and offered compensation of £50.

Mr P remained unhappy and brought his complaint to this service.

Our investigator didn't uphold the complaint. He said he was satisfied that MBNA had sent a letter to Mr P on 16 May 2023 advising him that it was closing the account. The investigator said he could understand why the letter sent in November 2024 had caused confusion but said the compensation offered by MBNA for the error was fair.

Mr P didn't agree. He said he wanted the account reinstated. He said he'd never received the letter dated 16 May 2023 advising him that the account would be closed once he'd paid the balance.

Because Mr P didn't agree 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.

I know it will disappoint Mr P, but I agree with the investigator's opinion. I'll explain why.

I've read and considered the whole file, but I'll concentrate my comments on those points which are most relevant to my decision. If I don't comment on a specific point, it's not because I've failed to take it on board and think about it, but because I don't think I need to comment on it in order to reach what I think is the right outcome.

The nub of this complaint centres on whether Mr P was advised that his account would be closed once he'd paid the balance.

I've reviewed the system notes provided by MBNA. These show that on 16 May 2023 a letter was sent to Mr P advising him that because he'd been in persistent debt for some time, a block had been applied which meant that Mr P would no longer be able to use the card for spending, but he would still need to pay off the balance. The letter confirmed that once the balance had been repaid in full, the account would be closed.

I can see from the system notes that the letter was sent to Mr P at his registered address. MBNA also sent a text and an email.

Mr P has said that he didn't receive the letter or text. He's confirmed that the email address to which MBNA sent its email about the account closure is an active email address and the mobile number to which MBNA sent the SMS is correct.

I have to make a decision based on the available information. Based on what I've seen, I'm satisfied that MBNA sent the letter, text and email in May 2023. I can't say why Mr P didn't receive these, but I'm satisfied that the letter, text and email were sent to the correct address.

That being the case, I'm satisfied that MBNA made Mr P aware in May 2023 that once he'd paid the balance the account would be closed.

I've reviewed the letter which was sent to Mr P advising him that he could use the card again. I appreciate that this would've caused confusion for Mr P. MBNA has confirmed that the letter was generated in error when the block was removed as part of the account closure process. It has apologised and has offered Mr P compensation of £50 for any inconvenience caused.

Taking everything into consideration, I think the offer of compensation is fair. I'm unable to ask MBNA to reinstate the account as it has been closed in accordance with the terms and conditions.

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 P to accept or reject my decision before 29 August 2025.

Emma Davy
Ombudsman