

The complaint

Mr A complains that MBNA Limited trading as MBNA ('MBNA') didn't provide a money transfer as advertised, and this has negatively impacted him.

Mr A wants his credit card account reinstating with adjustments to rectify what's happened. He seeks compensation for his time, distress and inconvenience together with interest.

What happened

Mr A complained to MBNA saying they'd not provided his £10,000 money transfer as advertised, and they should separate his money transfer and purchases into two separate balances.

MBNA didn't uphold Mr A's complaint. MBNA said they charged a minimum payment in line with their terms and conditions on the total balance. MBNA said the only way to completely avoid interest was to clear the whole balance on the account, to include the money transfer. MBNA offered to refund the £500 transfer fee if Mr A could repay the money transfer balance.

Mr A referred his complaint to the Financial Ombudsman Service. He said he felt MBNA wanted to get rid of him as a customer because of his disabilities. He explained he'd been deprived of the interest free deal and, having now closed his credit card with MBNA, he was struggling to get a similar credit limit with an alternative lender. He set out how this matter had impacted him.

Our investigator looked into what had happened, but he didn't think MBNA had acted unfairly. Mr A asked for an ombudsman's decision, setting out why he thought MBNA had acted fraudulently and why his complaint should be upheld.

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 think it's important to say that I can't make a legal determination of unlawful discrimination as this is the remit of the courts. However, in order to reach an outcome that is fair and reasonable in the circumstances of this complaint I've considered relevant laws – like the Equality Act 2010 - as well as relevant rules, regulations and codes of practice as well as what I consider to have been good industry practice at the time.

Having reviewed the submissions and available evidence from both parties I have decided not to uphold Mr A's complaint for broadly the same reasons as our investigator. I recognise this will come as a disappointment to Mr A. I'll explain why I've reached my decision.

I acknowledge Mr A thinks MBNA have acted fraudulently. He's unhappy his money transfer required a minimum monthly payment. Mr A says this wasn't made clear and it defeats the

point of the money transfer being interest free for 15 months. He says the deal wasn't variable.

I think MBNA made it clear that minimum payments would be due on Mr A's credit card account in the terms and conditions Mr A agreed to when taking out his credit card. These say:

"B7.3 Payment amount: You must make at least the minimum payment each month by the payment due date shown on your monthly statement if a balance is payable to us."

I don't agree that MBNA's request for payment varies or corrupts the money transfer being interest free for 15 months. I say this because the repayment of the £10,000 advance and the applicable interest rate are separate things. I haven't seen evidence to persuade me the money transfer was repayment-free for 15 months, only that interest wouldn't be added to it.

Mr A says he was charged interest on the money transfer. From the evidence I've seen I haven't been persuaded that MBNA failed to provide the interest free promotion to Mr A. Mr A's statements show that he wasn't charged interest on his money transfer.

Mr A says that once he had a money transfer, he was being charged interest on purchases which he hadn't expected. I acknowledge why this was disappointing to Mr A as he'd previously been able to avoid interest being charged. But I think MBNA were clear about how they charged interest in the terms and conditions, which say:

"B4. How interest is worked out: We do not charge interest on purchases made during your latest statement period if you pay off your full balance (including any balance transfers and money transfers) by the payment due date and you have also paid in full your previous month's balance by the due date."

My understanding of this is that once he had a money transfer, Mr A would be charged on purchases from the date of the transactions until they were paid off. And to entirely avoid interest Mr A would need to clear his whole balance (both purchases and money transfer).

Mr A complained his purchases weren't ringfenced from his money transfer. I agree Mr A's overall statement balance is presented as a single figure. But I think it's clear from Mr A's statements that MBNA do separate different types of transaction so they can calculate different interest rates that apply, as with Mr A's purchases and money transfer here.

Mr A was concerned he'd have to repay his money transfer before he could pay off his purchases. I can understand why Mr A would think this was unfair, given he'd be charged interest on purchases until they were repaid. However I don't think this is how his account operates. I think MBNA provided clear information about the order in which Mr A's payments were allocated to different transactions in his terms and conditions. I can't agree this information is hidden away as it's also in Mr A's statements. MBNA's terms say:

"B7.4 How we apply your payments: ... We use your payments to pay off balances charged at the highest interest rate first and so on down to balances with the lowest interest rates."

If there is more than one type of balance at the same interest rate, they are normally paid off in the following order: cash transactions, purchases, balance transfers and money transfers, and then default charges (plus any interest or charges incurred as a result of those balances)."

MBNA made a fair offer to refund the money transfer fee of £500 if Mr A decided not to retain the money transfer. Mr A didn't agree to this and chose to close his account. I am

sorry to hear this has caused financial difficulties for Mr A. I can't require MBNA to re-open Mr A's credit card account as this is a business decision for MBNA to take and not something I can interfere with.

I'm aware Mr A is looking for credit elsewhere to replace this closed facility, but he's faced some difficulty. MBNA are obliged to report accurate information to the Credit Reference Agencies so I would expect the balance of Mr A's credit card account and the closure to be recorded on his credit file. If Mr A is concerned that something is wrong with his credit file, he will need to address this with MBNA first before I can consider it.

I acknowledge Mr A's strength of feeling that MBNA got things wrong and have treated him poorly, but I haven't found evidence of any errors or unfair treatment in these circumstances. I think MBNA have communicated clearly with Mr A and have followed their usual process. Whilst I fully acknowledge the trouble Mr A's experienced dealing with this matter, I've not found cause to uphold his complaint. I won't ask MBNA to take any action on this occasion.

If Mr A would like help with money matters he can contact MoneyHelper for free advice and support. I consider this a reliable service. They can be contacted by telephone on 0800 138 1677 or by other methods set out here: <https://www.moneyhelper.org.uk>

My final decision

For the reasons I've outlined, I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr A to accept or reject my decision before 27 October 2025.

Clare Burgess-Cade
Ombudsman