

The complaint

Mr S is unhappy with how MBNA Limited acted in respect of reporting to his credit file.

What happened

The parties are familiar with the background details of this complaint – so I will briefly summarise them here. It reflects my role resolving disputes with minimum formality.

Mr S says he was going through personal difficulties and struggling financially so he contacted MBNA around December 2023 about the credit card account he had with it. He says that after it carried out an affordability assessment a temporary arrangement was agreed where he wouldn't be required to make any of the minimum payments to the card until June 2024.

Mr S said in December 2024 he was in the process of applying for a mortgage when he discovered that he had missed payment and arrangement markers on his credit file in respect of his MBNA account. He says it was the first time he was aware of it.

Mr S says he spoke to MBNA who said the reporting was an error and it would resolve the issue by removing the reporting. But then it later said it wouldn't. Mr S says he lost out on the home he wanted due to MBNA's refusal to remove the markers.

Mr S says the impact on him of this has been significant during a period of personal difficulty—it gave him false hope and wasted his time.

MBNA offered Mr S a total of £350 compensation for what had happened. But Mr S says he specifically wants it to remove the missed payment and arrangement markers from his credit file.

Our investigator thought that MBNA had acted fairly in responding to his complaint but Mr S asked for the matter to be looked at again by an ombudsman so the case has been passed to me for a final decision.

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.

While I might not comment on everything (only what I consider key) this is not meant as a discourtesy to either party – it reflects my role resolving disputes with minimum formality.

I am sorry to hear about the situation Mr S has described with his personal difficulties and finances. I won't comment on everything the parties have said – only what I consider to be material to this complaint. I don't mean this as a discourtesy, it simply reflects my informal remit.

In considering what is fair and reasonable, I need to have regard to the relevant law and regulations, regulators' rules, guidance and standards, codes of practice and (where appropriate) what I consider having been good industry practice at the relevant time. In the particular case here, I consider the guidance issued by the Information Commissioner's Office ('ICO') around the registration of information on credit files to be particularly relevant.

Was MBNA registering missed payment and arrangement to pay markers an accurate reflection of the account status?

The ICO guidance explains that credit files need to be an accurate reflection of account status at the time.

In this case there appears to be no dispute that Mr S:

- fell into a period of financial difficulty and as a result was unable to meet the minimum contractual repayments on his credit card – which led him to contact MBNA around December 2023 for help; and
- agreed with MBNA holds on his payments followed by an arrangement where he would not have to pay his usual payments toward the card until June 2024.

I don't have a full copy of Mr S's credit file but don't consider I need it here as from what I understand all parties agree that MBNA reported the time he was paying less than the minimum contractual payments as missed payments/arrears and noted that he was in an arrangement until when he brought the account up to date in May 2024 (I say this noting that it appears MBNA has removed an arrangement marker from June 2024 which was not reflective of the fact Mr S paid up his arrears before the arrangement ended).

MBNA must reflect accurate information on the credit file. And because Mr S was not meeting the contractual payments on his card (as required by the terms and conditions of his account) and was in an arrangement, my starting point is that MBNA is entitled to reflect this with its reporting to credit reference agencies. There is nothing in the ICO guidance which says that in these circumstances a creditor is prohibited from adding this information to the credit file. So prima facie MBNA was not acting unfairly here in reporting an arrangement and showing Mr S was not paying the contractual amounts on his account for a certain period.

I am not going to cover this issue in more depth because I don't think the heart of Mr S's complaint is that MBNA is not entitled to record information to reflect the circumstances which occurred. He appears to accept that MBNA reported factually accurate information. But he has explained his main concern is MBNA later told him it would remove this information but then decided not to. So I will turn to that now.

Is there some other reason that it wouldn't be fair and reasonable for Mr S's credit file to have the reporting I have referred to above?

I am unable to access the call recordings that MBNA provided but I don't consider it necessary or material to the outcome here. There appears to be no dispute that MBNA incorrectly advised Mr S that it would remove the reporting from his credit file – and that this was during a time he was looking to obtain a mortgage.

MBNA's contact notes support this and show in March 2025 it told Mr S it would remove the markers in respect of the previous arrangements and missed contractual payments. Mr S says MBNA also had told him this in December 2024. The contact notes indicate Mr S contacted MBNA about a credit file amendment then. And it seems as a result MBNA did agree to remove information. However, a later entry shows this was in relation to the

arrangement marker in June 2024 (which was rightly removed as Mr S brought things up to date in May 2024). However, I am willing to accept MBNA at the time was not clear with Mr S that this was all it was going to do (it seems he was expecting more).

MBNA later confirmed to Mr S around June 2025 that it wouldn't remove the other reporting he was expecting. This was no doubt very disappointing for Mr S. He says his hopes were raised by the incorrect information MBNA told him, and when he found out the reality it caused disappointment and emotional distress. And I don't doubt that was the case.

It is difficult to decide what is fair compensation in these circumstances. It is not a science. However, after considering the guidance on our website in regard to such awards I think £350 is fair. I have decided this noting that MBNA has caused considerable distress, upset or worry and it has lasted over several months. But also recognising that MBNA apologised to Mr S for what occurred, and that there were other underlying difficulties that Mr S was going through which contributed to his distress that MBNA was ultimately not fairly responsible for.

The primary remedy Mr S appears to want is to have all the adverse reporting removed from his credit file. However, I don't think that is the correct remedy here because (as I have said above) the reporting is an accurate reflection of what happened. Nor do I think that because other lenders may have agreed to remove correctly reported information does it mean that MBNA is obliged to.

Mr S says MBNA is responsible for him losing a property. However, as I have indicated, the error by MBNA was not in the reporting, but telling him that it would remove this. So even if Mr S had persuasively shown he lost a property solely due to this credit file reporting (which he hasn't) it wouldn't be fair to say MBNA is at fault for that in any event.

For completeness, in deciding fair redress I am broadly satisfied that MBNA provided Mr S with sufficient information (both in its credit card terms and conditions and correspondence confirming the payment arrangements) to show that his credit file would be impacted by the arrangements he had agreed. Furthermore, Mr S has not provided persuasive information to show he was in a position to avoid said arrangements at the time in any event.

Once again, I am sorry to hear about the difficult time Mr S has been through. But I think that MBNA's offer is fair and reasonable in the circumstances. If Mr S disagrees, he is able to reject my decision and consider other, more formal action (such as going to court), seeking relevant independent advice if he chooses to.

Putting things right

I understand MBNA previously sent Mr S a cheque which he says he hasn't cashed. If Mr S agrees to my decision and hasn't cashed the cheque and is unable to do so now (because it is lost or expired) then MBNA should take steps to make the payment again (which might involve cancelling the previous cheque to prevent duplicate compensation).

My final decision

Subject to my direction above – and to the extent Mr S has not received it already MBNA Limited should pay Mr S £350 in compensation.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr S to accept or reject my decision before 18 February 2026.

Mark Lancod
Ombudsman