

The complaint

Mr P is unhappy with several aspects of the service he's received from MBNA Limited, including that they didn't apply a 30-day hold on his account when they said they would.

What happened

Mr P contacted MBNA on 2 April 2025 because he was experiencing financial difficulty and couldn't afford to meet his contractual payment obligations on his MBNA credit card account. MBNA's agent agreed to apply a 30-day hold to Mr P's account during which time no interest would accrue on the account balance. This hold was designed to give Mr P time to either resolve his financial position or gather his monthly income and expenditure information so that MBNA could assess his financial position and potentially offer him some form of forbearance.

What should have happened is that MBNA's agent should have set the 30-day hold in place, which would have resulted in the interest on Mr P's account been frozen during the hold period and in Mr P receiving a confirmatory letter from MBNA that the hold was in place. But MBNA's agent didn't set up the 30-day hold, and so Mr P didn't receive any letter, and interest did continue to accrue on his account.

Mr P wasn't happy about this, and he also wasn't happy with some of the language used by MBNA's agent during the call, or that MBNA didn't contact him after he later submitted his income and expenditure information to them. So, he raised a complaint.

MBNA responded to Mr P and apologised for not applying the 30-day hold to his account. To correct their mistake, they reimbursed the interest that been incurred on Mr P's account during the time in question and also reimbursed two late payment charges. MBNA also suspended interest on Mr P's account for the following two months, to give Mr P time to contact them and potentially arrange an affordable repayment plan, which MBNA confirmed that they still required Mr P to do. MBNA also offered to pay £80 to Mr P as compensation for any trouble or upset he may have experienced because the account hold wasn't set up.

However, MBNA didn't feel that they'd done anything wrong in regarding the language their agent had used when speaking with Mr P, or the information Mr P had been given about the potential impact of the hold on his credit file. Mr P wasn't satisfied with MBNA's response, so he referred his complaint to this service.

One of our investigators looked at this complaint. But they felt the response MBNA had issued to the complaint already represented a fair resolution to it. Mr P disagreed, so the matter was escalated to an ombudsman 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.

Mr P has complained about how MBNA have responded to his complaint. However, as

explained to Mr P by our investigator, this service doesn't have the remit or authority to consider points of complaint about how a business has handled or responded to a complaint. I therefore won't address this aspect of Mr P's complaint any further.

MBNA don't dispute that they made an error by not setting up the 30 day hold when they should have done. When a business accepts it has made a mistake, this service would generally expect that business to take the corrective action necessary to restore their affected customer to the position they should be in had the mistake never occurred.

Upon review I feel that MBNA have done this. They've reimbursed the interest accrued on Mr P's account that shouldn't have done and reimbursed two late payment fees. Additionally, MBNA placed an interest hold on Mr P's account for further two months. As such I'm satisfied that Mr P was not financially disadvantaged by MBNA's mistake.

Alongside taking corrective action, this service would generally expect a business to consider pain compensation to an affected account holder. In this instance, MBNA have offered £80 to Mr P as compensation for any trouble or frustration he may have incurred.

I'm aware that Mr P feels that the £80 offered by MBNA doesn't provide fair compensation for what has happened. But upon consideration I feel that MBNA's offer is fair, and so I won't be instructing MBNA to do anything further in this regard. In taking this position, I've considered the impact of MBNA's failure to set up the 30-day hold when they first should have on Mr P alongside the general framework that this service uses when assessing compensation amounts - details of which are available on this service's website. And having done so I feel that £80 is a fair compensation amount.

Mr P is also unhappy with the information given to him by MBNA's agent regarding the length of time his credit file might be impacted. However, I've reviewed what Mr P was told by MBNA's agent and I'm satisfied that what he was told was correct. Specifically, it isn't the case that only an IVA or CCJ will persist on a credit file for six years. Rather, most reporting remains present on a credit file for that length of time.

I also don't feel that MBNA's agent acted unfairly towards Mr P by telling him that his credit file might be impacted by the 30-day hold, rather than by saying it would be affected. This is because MBNA don't have sight of Mr P's complete credit file and so can't confirm that's an impact will definitely occur. Additionally, I don't feel that whether Mr P was told his credit file may be affected or will be affected would have had any tangible impact on Mr P.

Finally, I don't feel that Mr P's complaint that MBNA have failed to contact him after he submitted his income and expenditure information to them is reasonable. Instead, I feel that MBNA have been clear that they require Mr P to contact them. This makes sense to me, given that it is Mr P who is asking MBNA to provide financial forbearance to him.

Accordingly, if Mr P hasn't contacted MBNA since he was asked to do so in MBNA's complaint response letter, and if MBNA have administered Mr P's account to his dissatisfaction as a result, then I feel that it is Mr P himself who bears the accountability for that dissatisfaction. I also encourage Mr P to contact MBNA and engage with them as per their requirements.

All of which means that I won't be upholding this complaint or instructing MBNA to take any further or alternative action here. This is because I'm satisfied that MBNA have already taken reasonable corrective action for not applying the 30-day hold and offered fair compensation to Mr P for that mistake. It's also because I don't feel that MBNA have acted unfairly towards Mr P in regard to the other aspects of his complaint. I hope that Mr P will understand, given what I've explained, why I've made the final decision that I have.

My final decision

My final decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr P to accept or reject my decision before 18 December 2025.

Paul Cooper
Ombudsman