

The complaint

Mrs H complains that MBNA Limited unfairly sold her debt, when she thought they had agreed she didn't owe anything further.

What happened

In December 2018, MBNA approved Mrs H's application for a credit card, giving her a limit of £3,100. The limit was never increased.

Mrs H initially complained about irresponsible lending as well as MBNA selling the debt. The irresponsible lending complaint has been resolved, and Mrs H's complaint is now only about MBNA selling the debt. Mrs H says she thought MBNA had agreed she didn't owe anything further and they knew she was a vulnerable consumer.

MBNA didn't uphold her complaint, explaining that they are allowed to sell an account once it has defaulted. So, Mrs H brought the complaint to the Financial Ombudsman.

One of our investigators looked at Mrs H's complaint but didn't find that MBNA had acted unfairly.

Because an agreement couldn't be reached, the complaint has been passed to me to decide.

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, I'm not upholding Mrs H's complaint. I know this is likely to come as a disappointment to Mrs H, so I'd like to explain the reasons for my decision in a bit more detail.

I appreciate why Mrs H is unhappy about MBNA selling the debt, considering they were aware of her personal and financial circumstances. However, I can only uphold this complaint if I think MBNA did anything wrong or otherwise treated Mrs H unfairly.

From the evidence I've reviewed, I'm satisfied MBNA treated Mrs H with forbearance. They applied several payment holidays and hold periods as well as refunding some interest. She was signposted to debt charities and given advice on what her next steps could be.

I can see Mrs H agreed to close her account in June 2021 when it became clear her financial difficulties weren't temporary. This was followed by various letters from MBNA setting out next steps with regards to the arrears and the default. In particular, MBNA explained in the final arrears letter that:

"We may ask a debt collection agency to collect the full amount for us. If we do this, we'll write to you to let you know."

Alternatively, we may pass your debt to another company. This means we'll give them details of your financial circumstances and any recent payments you've made. If they're not able to agree a plan with you, they may decide to take you to court to recover the amount".

I've not seen that MBNA agreed Mrs H didn't have to make any more payments or that they would not be pursuing the debt. I can appreciate why Mrs H might have thought this was the case, as they didn't ask her for any repayments after defaulting the account. But that doesn't mean MBNA had written off the debt. The balance was still outstanding and remained due to MBNA until they sold the account to the debt purchaser.

Overall, I'm satisfied MBNA treated Mrs H with forbearance, taking into account her vulnerabilities. They didn't need Mrs H's permission to sell the debt, and I'm persuaded the correspondence they sent Mrs H made it clear this might happen.

I've considered the Financial Conduct Authority's guidance on vulnerable customers and their Consumer Duty regulations, which both mention avoiding foreseeable harm. I'm satisfied MBNA acted fairly in that context and that it was reasonable for them to believe selling Mrs H's debt wouldn't put her in a materially worse position. That's because, as I explained above, the balance was still due to MBNA until they sold the debt so they could have decided to pursue it at any time. And they sold the debt to a regulated debt purchaser which has to follow the same rules on dealing with vulnerable customers. I also noted MBNA informed Mrs H that the debt purchaser has a vulnerable customers team/policy and are fully equipped to deal with them.

My final decision

My final decision is that I don't uphold Mrs H's complaint.

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

Amelie Makris
Ombudsman