

The complaint

Mr Q is unhappy that MBNA Limited have sold his debt to a third-party agency.

What happened

Mr Q had an account which was defaulted by MBNA several years ago. MBNA initially transferred Mr Q's account debt to a third-party debt collection agency ("DCA"). But Mr Q contacted MBNA and explained that the transferral of his account had a significant impact on his mental wellbeing. In response, MBNA agreed to recall Mr Q's account, and Mr Q had been making payments to MBNA to clear his debt since that time.

Mr Q remained concerned about the possibility of his account being sold to a DCA and of the impact that would have on his mental health. But when Mr Q asked MBNA about this, he was assured that his debt would not be sold and would remain with MBNA.

Recently, however, Mr Q's debt was sold by MBNA to a DCA. This caused a significant impact to Mr Q's mental wellbeing, and he raised a complaint with MBNA about the debt sale. MBNA responded to Mr Q but didn't think they'd done anything wrong by selling his debt to the DCA. Mr Q disagreed, so he referred his complaint to this service.

One of our investigators looked at this complaint. They noted that the sale of debt was permitted by the terms and conditions of the account and didn't feel that MBNA had acted unfairly. Mr Q remained dissatisfied, 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.

I issued a provisional decision on this complaint on 15 September 2025 in which I provisionally upheld this complaint because I felt that MBNA had already demonstrated that they were understanding of Mr Q's mental health and had promised him that they wouldn't transfer his account to a third-party.

I undertook that provisional decision on the assumption that there had been no change in circumstances that fairly warranted MBNA to treat Mr Q's account any differently than they had been treating it. However, since I issued my initial provisional decision, MBNA have presented information to me which shows that Mr Q hasn't made a payment to the account since October 2023 and didn't engage with MBNA about his account from December 2023 until MBNA sold the account debt to a third-party in August 2024.

This led to me to issue an updated provisional decision on 3 November 2025, because with my updated understanding of the circumstances surrounding this complaint, it doesn't seem unfair or unreasonable to me that MBNA would sell Mr Q's account debt to a third-party as they did. This updated provisional decision included the following:

While I appreciate that MBNA may have promised Mr Q that they wouldn't sell his account debt, I feel that promise was reasonably dependent on Mr Q making regular payments to reduce his debt, as he had been, or at the very least regularly engaging with MBNA about his financial position. And I don't feel that it's reasonable for Mr Q to expect MBNA to not sell his account debt, as an exception to their standard process, when Mr Q didn't do either of those things for eight months.

If Mr Q had been making payments to MBNA, even at a reduced amount, or had regularly updated MBNA about his ongoing position, then this would have demonstrated to MBNA a continuing willingness to address the account debt. But in the absence of payment or contact from Mr Q, I don't feel MBNA were reasonably bound to the prior promises that they'd made to Mr Q or have acted unfairly in selling Mr Q's debt.

Mr Q has said that MBNA have explained to him that his non-payment and non-contact was not a factor in their decision to sell his account debt to a third-party. That may be the case, but in order for me to instruct MBNA to recall Mr Q's account as Mr Q would like, I feel that I would need to be able to fairly justify that instruction by referencing Mr Q's ongoing payments or engagement with MBNA – which I can't. And, as explained earlier in this letter, my initial provisional decision was undertaken on the mistaken assumption that Mr Q had continued to make payments to the account so that there was no change in circumstance that warranted a sale of account debt.

All of which means that my updated provisional decision is that I do not uphold this complaint or instruct MBNA to take any form of action. I realise this will be a disappointment to Mr Q and I understand how dealing with the third-party will be uncomfortable for him. I'd therefore like to confirm to Mr Q that I've thought about the impact of my decision here in consideration of his mental health.

However, as an impartial party, I don't feel that I can reasonably say that MBNA have done anything unfair here, given that Mr Q didn't engage with them about the money he owed from December 2023 until his account debt was sold in August 2024. I also feel that if Mr Q wanted MBNA to maintain his account debt with themselves, then the onus was on Mr Q to have, as a minimum, remained in regular contact with them. And I don't feel that any promises that MBNA made to Mr Q about his account fairly remained valid in the prolonged absence of either payment or contact, as took place in this instance.

Mr Q responded to my updated provisional decision and described what I acknowledge were very difficult personal circumstances that he was experiencing during the time in question. Mr Q also noted that MBNA had told him that his account debt hadn't been sold to the third-party because he had stopped making payments and engaging with them, and that it had been an entirely random event.

Addressing the second point first, if it was the case that MBNA didn't consider Mr Q's lack of payment or engagement when transferring his account to the third-party, that wouldn't impact my decision here. This is because when I ask myself the question, '*is it fair and reasonable for me to instruct MBNA to recall Mr Q's account?*', the answer I arrive at is 'no', because Mr Q hadn't made the payments he had previously been making on his defaulted account debt and hadn't engaged with MBNA about his account.

Ultimately, Mr Q would like me to instruct MBNA to reverse a specific action here – the transferral of his account debt to the third party. So, the question isn't what MBNA's motivation in completing the action was; it's whether the action was fair and reasonable. And

because Mr Q stopped making payments and didn't engage with MBNA, I feel that MBNA's action was fair and reasonable, regardless of why MBNA completed it.

I appreciate that Mr Q was experiencing very difficult personal circumstances during the time in question. But MBNA can't take account of personal circumstances that they aren't made aware of – which leads me once again to the fact that Mr Q didn't engage with MBNA, even briefly, and stopped making payments.

Mr Q has also said that MBNA didn't contact him when he stopped making payments, which he feels they had a duty of care to do. But it must be remembered that Mr Q's account wasn't 'live' and in danger of being defaulted. It had already been defaulted, and Mr Q was making payments to reduce his defaulted account debt. As such, I feel that the onus rested with Mr Q to have maintained communication with MBNA, rather than the other way around.

All of which means that my final decision remains as explained in my updated provisional decision, which is that I won't be upholding this complaint. I realise that Mr Q will be very disappointed with this outcome, and I'm conscious of the impact that this decision may have on him. However, as an impartial party, I don't feel that it would be fair or reasonable for me to instruct MBNA to recall this defaulted account debt when Mr Q had stopped making payments to MBNA and hadn't contacted them to explain why. I hope that Mr Q will understand, given all that 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 Q to accept or reject my decision before 16 December 2025.

Paul Cooper
Ombudsman