

The complaint

Mr J, through his representative, complains that MBNA Limited has not treated him fairly after he approached it for help in December 2023.

What happened

Mr J had a credit card with MBNA and by December 2023 he was not able to make the repayments. He contacted MBNA for help.

Mr J complained about lack of fair treatment as part of another complaint which has been dealt with. The complaints were submitted in June 2024.

After the whole complaint had been referred to the Financial Ombudsman Service, one part did not proceed due to it being out of time. This part can continue. One of our investigators had seen the account notes from December 2023 and considered that MBNA had treated Mr J fairly. He disagreed.

After the unresolved complaint relating to this part had been passed to me I asked for copies of any recorded calls MBNA had around that time and I reviewed the account notes. I have listened to the calls received. They were in December 2023 and on 11 March 2024. I asked MBNA for additional call recordings and they have none. I then asked for additional information for me to get a full picture of how MBNA has treated Mr J since those calls. I received it all and thank MBNA for it.

On 9 January 2026 I issued a provisional decision why I considered that it was fair and reasonable for MBNA to compensate Mr J with a money award of £300.

What follows is a duplicate of that provisional decision.

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint.

In December 2023 MBNA signposted Mr J to organisations to help and explained how collections can assist him. They gave him 30 day suspension on account and marked Mr J as 'vulnerable'.

Two breathing spaces were applied in December 2023 and January 2024 and a third approved in March 2024 but not implemented. Notes indicate Mr J got very upset and was not understanding things. Mr J finished the call.

Mr J took advice from a Debt Management Company. Default Notices and Formal demands were sent to Mr J in February 2024 and April 2024. In April 2024, following the default, the credit limit was set to zero. The account closed thereby precipitating freezing of further fees and charges and the account was passed to recoveries. The debt was sold to a third party in late August 2024.

The recorded calls

I've listened to them. They were on 5 December 2023 and 11 March 2024. I totally

understand Mr J's deep frustration particularly on the 11 March 2024 call. And that it stemmed from having new, lengthy and additional detailed messages being read to him when he'd told them in a previous call, and on that call that he could not cope with it all.

Whereas I understand the MBNA's representative and the manager (when she took over the call) explaining that the required legal paragraphs had to be read to him for MBNA to be able to do anything I think it went too far. The human reaction and response would have been to approach it differently. Mr J's obvious and escalating distress was apparent. Dovetailing with what MBNA already knew then the call ought not to have got to the stage it did.

I plan to make a money award to Mr J for the clear distress and the inconvenience caused. I plan to award £300.

Correspondence and notes

The account notes show me that interest on the card was suppressed and a 30 day hold was applied 6 December 2023. Two letters confirming this was sent to Mr J on 6 and 7 December 2023.

MBNA arranged for a linked debt management company (DMC) to call Mr J about the debt and to assist. Mr J reported later (noted) that he did speak to them and did receive that advice.

19 January 2024 a further 30 day hold was applied to the account and Mr J was sent a letter to confirm that.

A letter was sent on 21 February 2024. It was asking for some payment towards the arrears (£467) by 10 March 2024. It included a Notice of Default of the same date.

11 March 2024 was the call during which Mr J got upset and ended the call after 1 hour and 20 minutes.

Letter of 4 April 2024 asking for arrears to be paid. At that time the outstanding balance was £8,203 and Mr J had to pay just under £470 to cover off the arrears. Mr J was informed that failure to pay off the arrears would lead to the account being closed and for the full amount becoming due.

MBNA has explained that the account was defaulted in April 2024 and the account charged off to a debt collector. It was sold as a debt to a third party in August 2024.

My view is that Mr J had made it clear to MBNA that he could not afford the repayments and that the future prospect of paying it off was not good either. He had given details of his work and personal lives and outlined that he had no money left each month to meet the card payments. I've reviewed the credit card statements and I can see that payments of around £300 from mid-2023 onwards were just about covering the interest charges. And when the two sets of 30 day holds with £0 interest were applied, still Mr J could not afford to pay the arrears. So, although it was a difficult thing for Mr J to face – for the account to be defaulted – sometimes that can be the only realistic option.

Overall, I do not consider that MBNA treated Mr J unfairly in relation to its approach to the debt. So, apart from the 11 March 2024 phone call then I do not plan to make any directions in relation to this part of Mr J's complaint.

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 J has accepted the outcome of the provisional decision. MBNA has not responded. As nothing further has been submitted to me then for the same reasons outlined in the

provisional decision I uphold the complaint in part and I make a money award of £300 for the distress and inconvenience experienced by Mr J.

Putting things right

I make a money award for distress and inconvenience of £300 and I direct that MBNA pays that directly to Mr J within 28 days of him accepting the final decision (if he does so accept).

My final decision

My final decision is I uphold the complaint in part and I direct that the money award is paid to Mr J in the way I have outlined above. That means directly to Mr J and not offset against the outstanding balance on the card account. This is to be paid to Mr J within 28 days of him accepting this final decision, if he does accept.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr J to accept or reject my decision before 20 February 2026.

Rachael Williams
Ombudsman