DRN-6026307

Financial Ombudsman Service

The complaint

Mr M complains that MBNA Limited displayed incorrect information on his credit file.

What happened

Mr M held two credit cards with MBNA. In March 2020, Mr M was declared bankrupt; he was discharged a year later, in March 2021.

In 2025, Mr M discovered that his credit file was displaying incorrect information. Mr M considered this to have affected his ability to obtain credit. So, he complained. In response, MBNA accepted that some information was incorrect. It acknowledged that the two credit cards Mr M held had slightly incorrect default dates, and it confirmed that the necessary information had been corrected – amending the date of default from April 2020 to March 2020, when Mr M's bankruptcy had been declared.

Shortly afterwards, in a further response, MBNA explained that it hadn't received notification of Mr M's discharge from bankruptcy; now that it had, it had also corrected the date of settlement for both accounts – to March 2021, when Mr M was discharged. As a gesture of goodwill, in recognition of any distress and inconvenience, MBNA offered Mr M £300.

Mr M remained unhappy, and he contacted this Service for an independent review. An Investigator here looked at what had happened; having done so, they didn't think MBNA needed to do anything more. In summary, the Investigator said:

- An error had occurred, all parties accepted that, and the required remedial action had taken place. Mr M's accounts were now accurately reported to Credit Reference Agencies ("CRAs").
- While the matter had no doubt caused some distress and inconvenience, there wasn't evidence to support Mr M's view that any credit applications had been affected because of MBNA. If some applications Mr M had made were declined, or had not formally progressed, there was nothing to suggest that potential lenders were taking such decisions solely because of MBNA's CRA reporting.
- Overall, in all circumstances, £300 was a fair and reasonable amount of compensation to reflect any distress and inconvenience caused.

Mr M disagreed. Among other things, he said that he'd been under no obligation to inform MBNA about his discharge; rather, he'd been told he didn't need to do anything. Moreover, Mr M highlighted how the matter had impacted his wellbeing and ability to obtain credit.

Our Investigator reconsidered in light of Mr M's comments, but they didn't change their mind. So, as no agreement has been reached, Mr M's complaint has now 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.

At the outset, I think it important for me to say that I'm left without doubt over just how strongly Mr M feels about what's happened here. I'm truly sorry to read that he is, and has been, in a difficult situation – both personally and financially.

I'll also be clear that I haven't commented on each and every point Mr M has raised. I've read everything provided – by both parties – but I've focussed on what I deem to be the crux of the matter. That's because our role is to be an informal service; I don't intend any discourtesy in my concise approach, it's simply to align with that purpose.

In my view, there are two separate issues here; first, the accepted error with the date of default for Mr M's two credit cards – and second, that MBNA (and it seems some other creditors too) didn't update Mr M's credit file once he was discharged from bankruptcy. I don't need to cover the first point in detail; all parties accept that something went wrong and Mr M's accounts should've had a recorded default date of a month prior to that initially logged. I'm satisfied it's now been updated and is accurate. On the second matter, while this will disappoint Mr M, I don't think MBNA needs to take any further action. I'll explain why.

MBNA has told us that it wasn't aware of Mr M's discharge from bankruptcy until he contacted it in 2025, and I've no reason to doubt what it's said there. That's not to say I doubt Mr M's testimony, in which he says he was told he didn't need to take any action – I've no cause to think that isn't exactly what he was told – but that doesn't mean MBNA did something wrong; simply put, based on the information I have here, I can't find MBNA at fault for not receiving any notice of discharge. It was not involved in the issuance of such a notice, and there's no obligation for MBNA to perpetually monitor the bankruptcy register either.

When MBNA *was* made aware by Mr M that he'd been discharged from bankruptcy, in 2025, it took the necessary action to ensure its reporting was accurate. That's just what I'd expect it to do; I've reviewed Mr M's credit file, which he kindly provided, and I can see that the default and settled/satisfied dates are now in-line with when Mr M was declared bankrupt and then discharged. So, it seems things are now correctly reported. I'll add here that I've noted Mr M's points about how he considers MBNA to have potentially breached data protection legislation, but I can't make any determination over whether there has been any breach – that's a matter for a court, or the Information Commissioner's Office ("ICO").

Mr M's fundamental point, I think, is the impact he says this overall matter has had on him. He's spoken of lenders declining certain requests he made, or not proceeding to formal applications, and I'm sorry to hear of the stress he says has been caused. But even if everything had been recorded entirely correctly with CRAs, I don't think it likely Mr M's position would have been any different. The fact is that with any applications Mr M made for credit, his credit file would show he declared bankruptcy in 2020. That information will remain on his credit file for at least six years from his bankruptcy declaration, even though his debts were discharged after a year, and it's significant adverse reporting.

It follows, in my view, that the likelihood is Mr M will find credit applications are in danger of not being formally started, or are declined, or that he only has access to high interest rates; all of which is reflective of the level of risk carried as someone discharged from bankruptcy a few years previously. And here, with specific regard to MBNA, I'm not persuaded that any error it made has categorically caused Mr M a financial loss, or that it led to him being refused credit that would otherwise have been granted. I don't think the available evidence supports that conclusion.

As a final point, I'll add that I've not commented on any other lenders which Mr M has referenced as making the same, or similar, error to what he considers MBNA to have made here. That's deliberate, this decision focusses on the actions of MBNA alone. I know Mr M has other complaints against other lenders, and I'll leave it to him to decide how he wants to progress those.

In closing then, and in all the circumstances, I'm not persuaded that MBNA needs to take any further action. It did make an error, and it's offered a goodwill gesture – of £300 compensation – for any distress and inconvenience Mr M experienced. As I understand it, that offer is still available to Mr M; he can contact MBNA directly if he wishes to accept it but, for the reasons I've explained, I'm not going to recommend that MBNA do anything more. If Mr M does accept that money, I remind him that he may still be required to declare the payment to the trustee in bankruptcy.

My final decision

My final decision is that MBNA Limited has already made a fair offer of £300. I leave it to Mr M to decide whether, on reflection, he might now wish to accept it.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr M to accept or reject my decision before 13 February 2026.

Simon Louth
Ombudsman