

The complaint

The complaint

MBNA Limited provided Ms B with a credit card in 2019, with a credit limit of £4,400. Ms B says the credit was provided irresponsibly.

What happened

MBNA reviewed Ms B's complaint and upheld it. It agreed with Ms B that it shouldn't have provided the credit card.

MBNA had subsequently sold the debt to a debt collection agency, so to put things right, it refunded all fees and charges associated with the loan to the debt collection agency, reducing the remaining debt.

Ms B remained unhappy as she didn't feel the redress was sufficient and also felt MBNA should remove the adverse information recorded on her credit file, so brought the complaint to our service.

An investigator then reviewed the merits of Ms B's complaint, but felt that the approach MBNA had taken was appropriate in the circumstances.

Ms B remained unhappy, so 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 consider that MBNA have taken a fair approach to putting things right.

As referenced above, MBNA have upheld Ms B's complaint, agreeing that it hadn't performed suitable checks and shouldn't have agreed to the credit card.

That aspect isn't in dispute, and by refunding all interest, fees and charges, MBNA have taken appropriate action. Despite the circumstances, I think it fair that Ms B should pay back the amounts borrowed.

With regards to Ms B's credit file. MBNA advised Ms B that it wouldn't remove the adverse records from her credit file until the debt had been fully repaid.

I understand why Ms B is unhappy with this, but MBNA is correct when it says it can't remove the records from the credit file at this stage, so I agree with its position. If we asked MBNA to remove this, it would need to record information that doesn't accurately reflect Ms B's situation, and would therefore be wrong.

This could create a risk for other financial organisations who rely on the accuracy of this information, and potentially also creating future issues for Ms B as well.

So whilst I know that it will disappoint Ms B, I'm not asking MBNA to do anything else. I encourage Ms B to get in touch with MBNA when the debt has been cleared, so that it can update the credit file.

I've also considered whether the relationship might have been unfair under Section 140A of the Consumer Credit Act 1974. However, I'm satisfied that this outcome is fair for Ms B in the circumstances of her complaint. And based on what I've seen, no additional award would be appropriate in this case.

My final decision

For the reasons outlined above, it's my final decision that I'm not upholding Ms B's complaint against MBNA Limited.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms B to accept or reject my decision before 23 March 2026.

David Barker
Ombudsman