

## **The complaint**

Mr P complains MBNA Limited (MBNA) acted irresponsibly when it approved a loan for him.

## **What happened**

Mr P says MBNA approved a loan of £15,000 for him in December 2024, at a time when he was struggling financially with large levels of external debt. Mr P says MBNA failed to carry out proper financial checks before approving the loan and this has added to his financial burden and affected his mental wellbeing.

Mr P wants MBNA to write off the loan after refunding all interest and charges, remove any negative markers from his credit file and pay him compensation for the trouble and upset this has caused him.

MBNA says after review, it accepts it shouldn't have approved the loan and apologised to Mr P. MBNA says it has now refunded all interest and charges on the loan, but the capital sum originally lent, still needs to be repaid and until that happens it can't remove any negative markers on Mr P's credit file. MBNA says it now requires Mr P to make contact with them, to discuss a suitable repayment plan for the outstanding balance.

Mr P wasn't happy with MBNA's actions and referred the matter to this service.

The investigator looked at all the available information but didn't uphold the complaint. The investigator says MBNA accepted it should have conducted more thorough financial checks before it approved the loan and have since removed all interest and charges on the account and frozen interest going forward.

The investigator says MBNA have done what he would expect in these circumstances and he wouldn't expect it to write off the capital sum outstanding, as Mr P had benefited from the funds lent to him. The investigator says Mr P now needs to make contact with MBNA to discuss a suitable way forward.

Mr P didn't agree with the investigator's view and asked for the matter to be referred 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.

Having done so, I won't be upholding this complaint and I will explain how I have come to my decision.

I was sorry to hear Mr P is experiencing financial hardship and this must be a difficult time for him. When looking at this complaint I will consider if MBNA need to take any further action regarding Mr P 's complaint about the fact it irresponsibly lent to him.

Mr P's complaint centres around his view MBNA acted irresponsibly when it approved a loan

of £15,000 in December 2024, and this has added to his financial burden. Mr P wants MBNA to refund all interest and charges on the loan and then write off the remaining balance - then remove any adverse entries on his credit file.

Mr P also wants MBNA to pay compensation for the trouble and upset this has caused him as the matter has affected his mental wellbeing. While I understand the points Mr P makes here, I am not fully persuaded by his argument and I will go on to explain why.

The first thing to say here is MBNA have accepted it failed to carry out thorough enough financial checks before it approved the loan and as a result it has refunded all interest and charges on the loan and frozen future interest. While Mr P has asked for the loan to be written off, I wouldn't ask that of MBNA as after all Mr P benefited by the use of those funds.

I would also say here that I would only direct MBNA to remove any adverse entries from Mr P's credit file after the loan had been fully repaid, as lenders must as part of its regulatory obligations, accurately report account activity to the appropriate credit reference agencies.

While Mr P is looking for some form of compensation that's not something I would expect of MBNA here in these circumstances, rather that it apologises and refunds any interest and charges, which I can see MBNA have done. What is important is that Mr P now makes contact with MBNA to discuss an appropriate way forward, perhaps with the help of the debt charities MBNA directed him to in its final response letter.

I've also considered whether MBNA acted unfairly or unreasonably in some other way given what Mr P has complained about, including whether its relationship with him might have been unfair under s.140A Consumer Credit Act 1974. However, for the same reasons I have set out above, I've not seen anything that makes me think this was likely to have been the case.

While Mr P will be disappointed with my decision, I am satisfied the actions MBNA have already taken are sufficient here, so I won't be asking anymore more of it.

### **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 P to accept or reject my decision before 23 February 2026.

Barry White  
**Ombudsman**