

The complaint

Mr G complains MBNA Limited unfairly defaulted his credit card account.

What happened

Mr G opened a credit card account with MBNA in 2018. In 2024, Mr G experienced a mental health crisis and has explained this meant he wasn't able to fully advocate for himself. Mr G says a consequence of this was that he fell behind on his contractual payments to his credit card with MBNA.

Having received no payment since November 2024, MBNA defaulted Mr G's account in June 2025. It then sold the outstanding balance to a third party in July 2025.

In November 2025, Mr G complained to MBNA. He said it hadn't done enough to provide financial support taking into consideration his requirements. Mr G says the default has had an adverse impact, including making it harder to access other forms of credit. Mr G is also unhappy MBNA tried to call him, when he'd requested all correspondence be in writing.

MBNA responded to say it didn't think it had done anything wrong. It said it had written to Mr G a number of times while his account was in arrears but hadn't heard back and wasn't aware of his circumstances at the time. MBNA said it defaulted the credit card in line with its policies, so didn't agree to remove this.

Unhappy with MBNA's response, Mr G referred his complaint to the Financial Ombudsman. One of our Investigator's looked into things and empathised with Mr G's circumstances, however thought MBNA was reasonable in its decision to default the credit card account.

Our Investigator said MBNA wasn't aware of Mr G's circumstances while the account was in arrears, so didn't find the steps it took to be unreasonable. She however found MBNA had likely tried to contact Mr G by phone, after he'd explicitly asked that this didn't happen. So, she recommended MBNA pay Mr G £50 to apologise for this.

MBNA accepted our Investigator's recommendations. Mr G disagreed, he said MBNA had a greater obligation to provide support to him as a vulnerable consumer and it failed to do this.

As the matter wasn't resolved, 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.

I've given consideration to the relevant rules and regulations applicable to this complaint, including Consumer Duty and the Equality Act 2010 and while I may not comment on everything (only what I consider is key) this is not meant as a discourtesy to either party, rather reflects the informal nature of our service.

I've started by reviewing whether MBNA was reasonable in its decision to terminate and default Mr G's credit card account. The Information Commissioner's Office (ICO) says that when a consumer is at least three months behind with their payments then a default may be registered. It also says it would expect a default to be registered by the time the consumer is six months behind with their payments. That's what happened here.

Mr G was in a sustained period of arrears – beginning in December 2024 with no payment being made to remedy the breach set out in the default notice issued in March 2025. Because of this Mr G's credit card account was closed and a default reported to the credit reference agencies (CRAs).

Therefore, it appears, MBNA complied with the guidance set out by the ICO and was reasonable in its decision to default the account given the persistent state of arrears.

MBNA is also required to report accurate information to the CRAs to reflect how a person has managed their account. I'm satisfied that MBNA reporting missed payments and a default is an accurate reflection of how Mr G has managed the account, so I don't find the reporting to be unfair or inaccurate.

I've then gone on to consider whether MBNA should have done more when Mr G made it aware of his circumstances. I'd like to start by thanking Mr G for being so open with the information he's provided our Service and I'm sorry to hear of the challenges he's faced.

From the evidence available, Mr G first made MBNA aware of the difficulties he'd experienced in late 2024 and early 2025, when complaining in November 2025. So, MBNA wasn't aware of his circumstances while the account was in arrears or in making the decision to default the agreement.

MBNA wrote to Mr G about the arrears on his credit card in December 2024, January, February, March and April 2025, however, didn't hear back from Mr G.

I've taken on board Mr G's comments that MBNA should have identified he was in a vulnerable position when his account fell into arrears. MBNA made the decision in February 2025, to restrict Mr G's credit card and stopped charging any interest and fees, meaning his outstanding balance didn't increase further. So, I think MBNA was fair in the actions it took at that time.

To support Mr G further MBNA explained it would need to discuss his account to get a better understanding of his circumstances. Without being able to do this, I wouldn't expect MBNA to presume what challenges Mr G might be facing or put a plan in place without his agreement, which then may not be suitable for his needs.

So, while I've taken on board Mr G's comments that he wasn't in a position to engage with MBNA during this time, when considering whether MBNA did something wrong I haven't found it did. I think the steps MBNA took when Mr G was in arrears were reasonable based on what it knew, as it asked him to get in touch, but unfortunately didn't hear back from Mr G over several months.

While I understand Mr G is disappointed that MBNA didn't change its position after he made it aware of his circumstances, I don't find it was wrong to say the default would remain in place. Although Mr G had experienced a challenging time, I don't find that means MBNA is required to remove the default or reinstate the account, as for the reasons explained above, I think it was reasonable in the actions it took. Rather MBNA has explained that going forwards Mr G should discuss repayment of the outstanding balance with the new owners of

the debt, to agree an affordable repayment plan, which I think is reasonable in the circumstances.

When complaining to MBNA, Mr G requested that all contact be in writing. It appears MBNA then tried to contact Mr G via the phone, and I appreciate this may have been concerning to Mr G. Like our Investigator I think it's fair that MBNA pays some compensation to acknowledge this, and I find the recommendation of £50 fair, as while my understanding is Mr G didn't answer these calls, I acknowledge that receiving the calls was a cause for concern.

In conclusion, while I realise this may not be the answer Mr G is hoping for, I think MBNA acted reasonably in its decision to default his credit card account so won't be asking that it remove this. I do however think MBNA should pay £50 to recognise any concern caused when it attempted to call Mr G, after he'd asked that this didn't happen.

My final decision

For the reasons I've explained above, I uphold this complaint. To put things right I direct MBNA Limited to pay Mr G £50 compensation.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr G to accept or reject my decision before 27 February 2026.

Christopher Convery
Ombudsman