

The complaint

Miss D complains that MBNA Limited trading as MBNA transferred her credit card debt to a third party despite having assured her during a phone call that the debt would remain with MBNA and that there was no pressure to repay it.

What happened

Miss D holds a credit card account with MBNA. The account was referred to the specialist support team due to Miss D's personal circumstances.

Miss D says that she engaged with MBNA and provided affordability statements. On 6 June 2023 Miss D was advised by telephone that she wasn't required to make any payments unless she was in a position to do so and that the debt would "sit" with MBNA.

Miss D complained to MBNA in February 2025. She was unhappy that the debt had been sold to a third party collection agency without prior notification.

MBNA issued a final response letter on 25 April 2025. It said the information provided to Miss D during the phone call dated 6 June 2023 was incorrect and offered £150 compensation. MBNA explained that the debt of £6,054.49 had been sold to Lowell Group on 7 August 2024 in line with its legal and regulatory obligations.

Miss D remained unhappy and brought her complaint to this service. She wants the default on her credit file removed and further compensation.

Our investigator didn't uphold the complaint. They said that although MBNA had advised Miss D that it would be less likely to sell a customer's debt when it was with the specialist support team, MBNA's process had changed since then. The investigator found that the compensation awarded for the mismanagement of Miss D's expectations was fair. In relation to the sale of the debt, the investigator found that MBNA had acted in accordance with the terms and conditions of the agreement and had notified Miss D of the assignment by a letter dated 22 August 2024. The investigator said there was no requirement for MBNA to provide notice prior to assigning a debt.

Miss D didn't agree so I've been asked to review the 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.

I know it will disappoint Miss D, but I agree with the investigator's opinion, I'll explain why.

I've read and considered the whole file, but I'll concentrate my comments on those points which I think are most relevant to my decision. If I don't comment on a specific point, it's not because I've failed to take it on board and think about it, but because I don't think I need to comment on it in order to reach what I think is the right outcome.

MBNA doesn't dispute that during a phone call on 6 June 2023 Miss D was advised that when a debt was with the specialist support team it wouldn't be sold or assigned. MBNA has explained that whilst this information was correct at the time, its processes have since changed. MBNA has acknowledged that Miss D was given certain expectations during the call and has offered compensation of £150.

I understand that Miss D believed that the debt would remain with MBNA so long as she was with the specialist support team. However, as MBNA has explained, the information it provided to Miss D – whilst correct at the time – is no longer their process. MBNA has accepted that Miss D has been caused distress as a result of the information she was given and has paid a sum of compensation which I think is fair and reasonable.

I've thought about whether MBNA made an error or treated Miss D unfairly when it sold the debt.

As a starting point, I've reviewed the terms and conditions of the credit agreement. The agreement states (at F.1) that if the minimum payment isn't made, MBNA may report this to the credit reference agencies. The terms and conditions go on to state that if a customer continues not to pay the minimum payment, it may sell the debt.

I can see that MBNA wrote to Miss D on 22 August 2024 notifying her that the debt has been sold to Lowell Group. Lowell Group sent a welcome letter to Miss D on the same date.

A lender must notify a customer in writing when it sells a debt to another company. The notice must inform the customer of the identity of the new company and provide instructions on where to send future payments. Miss D has said that she wasn't provided with prior notice of the sale of her debt. However, there's nothing in the relevant regulations nor in the terms and conditions of Miss D's credit agreement which requires MBNA to give prior notice of an assignment.

Miss D has told this service that she didn't receive either of the letters dated 22 August 2024. I've reviewed the available information, and I can see that the letters were correctly addressed to Miss D. I'm unable to hold MBNA responsible for non-delivery of the letters by the postal service.

Miss D has also queried why – when the debt was sold on 6 August 2024 – there was a delay in notifying her about the sale. As I've mentioned above, MBNA notified Miss D about the sale on 22 August 2024. This was around two weeks after the sale. I don't find two weeks to be an unreasonable delay.

I'm therefore unable to say that MBNA has made an error or treated Miss D unfairly when it assigned the debt to Lowell Group.

Miss D has complained that the account was defaulted without prior notification. I've thought about this. I can see that MBNA sent a default letter to Miss D on 1 February 2023 asking her to pay the sum of £322.07 by 19 February 2023 and warning that the account may be defaulted if payment wasn't received. I've reviewed the account, but I can't see that Miss D made a payment. The account was subsequently defaulted and transferred to the recoveries department in May 2023.

Based on what I've seen, I haven't found any evidence to suggest that MBNA made an error when it defaulted the account. I'm also satisfied that Miss D was made aware that the account may be defaulted and that she failed to make the required payment within the timescale specified to avoid this happening.

When Miss D spoke to MBNA on the phone on 6 June 2023 the agent told her that the account had been defaulted and that the default had been registered on her credit file and that it would show there for 6 years.

I'm therefore satisfied that Miss D was aware in June 2023 that the account had been defaulted and that the default had been reported on her credit file.

I appreciate that the default has caused Miss D some difficulty with a proposed mortgage and that she would like it removed. This service is only able to require a lender to amend a credit file where there's clear evidence of an error. In this case, I haven't found any evidence to suggest that MBNA made an error when it defaulted the account and registered the default. I'm therefore unable to require MBNA to amend Miss D's credit file.

For the reasons I've explained above, I'm unable to uphold the complaint.

My final decision

My final decision is that I don't uphold the complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss D to accept or reject my decision before 9 May 2026.

Emma Davy
Ombudsman