

The complaint

Mr R complains about the actions of MBNA Limited in relation to a loan that was connected to a scam.

What happened

The detailed background to this complaint is well known to both parties. So, I'll only provide an overview of some of the key events here. In June 2025 MBNA agreed to lend Mr R £15,000 over a four-year term. The loan funds were paid into Mr R's bank account on 4 June 2025. Mr R says that on 17 June 2025, he reported that the loan had been taken out as a result of a scam. MBNA held him liable for the loan and an initial direct debit payment (for around £360) was taken at the end of the same month (although Mr R says he was told this wouldn't happen). And a few days later, Mr R settled the loan in full. The interest charged by MBNA was credited back to the loan account before Mr R settled the loan.

Mr R complained to MBNA, he wasn't happy with how easy it was for someone of his age to get this loan and thinks MBNA ought to have done more to verify his application and that this would've impacted the losses he suffered as a result of the scam. He is also unhappy with the service provided, which included a letter not being responded to and incorrect information being given in MBNA's communications. He also later mentioned that a letter was sent advising of the end of a period of interest being on hold, after the loan had already been repaid.

MBNA acknowledged the service Mr R had received wasn't to the standard they'd usually expect and paid him £50 compensation. Mr R referred his complaint to our service and ultimately one of our Investigators didn't recommend it should be upheld. She didn't think MBNA needed to do more. Mr R disagrees, believes the compensation paid is insufficient and has asked for an Ombudsman to review his 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.

Having done so, I've reached the same outcome as our Investigator and for similar reasons. I know this will be disappointing for Mr R, so I'll explain why. Mr R has said our Investigator covered ground in relation to the scam which was unpleasant for him to relive, specifically in making a finding about the loan itself. And as he accepts that he applied for the loan (albeit under the influence of a scammer), I won't dwell further on that point.

Mr R also thinks it was 'too easy' for him to obtain the loan. He is right to say that MBNA should ensure their customers are able to afford any lending on a sustainable basis. But the remedy when that is found not to be the case isn't usually for a loan to be written off. Rather, we'd usually ensure that any interest and charges are removed from the loan and only the principal amount needs to be repaid. In this case, the evidence supports that Mr R only repaid the £15,000 borrowed and not any additional fees or charges. As such, even if I were to find that MBNA ought to have done more checks around the affordability of the loan or

have verified the declared income as Mr R believes they should've done, I wouldn't make a further direction as he already hasn't paid any interest or charges.

The main point of contention for Mr R is the level of service provided and the compensation paid which he feels is insufficient. I think it's important to note that a significant amount of the distress and inconvenience that Mr R has been put to is the fault of the scammers themselves. And it wouldn't be fair for me to require MBNA to provide compensation for the actions of someone (or a group of people) that they aren't responsible for.

Mr R was always going to have to go to some trouble to report the scam and to sort matters out, having been a victim as he was. He was also always likely to have complained because his complaint included the 'ease' with which the loan was agreed and not solely the service provided. And we don't generally make awards solely on the basis of having had to complain, it's about the impact of any poor service on the individual complainant.

Both sides agree that there has been some poor service, so again I won't focus on each individual instance raised. But stepping back and looking at the service provided overall, I don't think the amount of compensation already paid is unreasonable such that MBNA need to do more than they have. I acknowledge this is to an extent a subjective view, but the nature of my role requires that I make such judgements. And I think the compensation fairly reflects the impact on Mr R of failures that MBNA are responsible for. I also acknowledge that Mr R has said other entities have paid greater compensation in what he believes to be similar circumstances. But the actions of other entities aren't something I can comment on in this decision, each complaint is considered and decided on its own individual merits.

So whilst I'm sorry to hear of the losses Mr R suffered at the hands of cruel scammers. And that he remains dissatisfied with the actions of MBNA, for the reasons I've explained, I'm not going to require them to do more to resolve this complaint.

My final decision

For the reasons outlined above, my final decision is that I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr R to accept or reject my decision before 25 May 2026.

Richard Annandale
Ombudsman