

complaint

Mr P complains that MBNA Limited charge him a late payment fee even though he makes his credit card payment ahead of the due date.

background

Mr P first complained to MBNA about the late payment fees in 2014. MBNA explained how long payments take to credit his account and refunded three late payment fees. It also told Mr P he could change the payment due date if he wanted to, but didn't hear from him. Mr P was then charged further late payment fees in May, June and July 2015. He complained to MBNA again and it refunded one of those fees. It also told him that debit card payments are credited to his account the following day.

Our adjudicator did not recommend the complaint should be upheld. He found the charges had been applied in line with the terms and conditions of Mr P's account and explained that MBNA had shown its default charges were broadly in line with the associated costs.

Mr P responded to say, in summary, that his bank had told him payments should be credited to his credit card within two hours of debiting his account.

my findings

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint.

As MBNA issued a final response on the same issue in August 2014, which included the refund of three late payment charges, I will only consider what has happened since that date.

I can see that Mr P was charged late payment fees in May, June and July 2015, but, from looking at his statements, his payments credited his account between one and three days late. I am satisfied these charges are in line with the terms and conditions of Mr P's account, so I cannot conclude MBNA has made a mistake.

That said, I acknowledge Mr P says his bank told him payments should be credited to his account within two hours. This is correct for "faster payments", however Mr P made his payments using his debit card. I have asked Mr P for his bank statements for 2015 so that I can see the payments leaving his account, but he has only been able to obtain the latest one. However, it shows Mr P's MBNA payment debiting his bank account on 26 February 2016 when Mr P says he made the debit card payment the previous day. This is in line with what MBNA told Mr P about the time taken for debit card payments to be credited to the account. As it's unreasonable to expect MBNA to credit a payment to Mr P's credit card, before it's left his own bank account, I cannot see that MBNA has done anything wrong.

In summary, I find the late fees have been correctly charged and as Mr P is now fully aware of the timescales involved in processing debit card payments, he can choose to make similar payments earlier, or change his payment method, in order to avoid similar charges in the future. He also still has the option to change his payment due date if he prefers.

my final decision

My 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 11 April 2016.

Amanda Williams
ombudsman