

complaint

Mr B complains that MBNA Limited ("MBNA") is holding him responsible for the balance due on a credit card he didn't apply for.

background

In August 2005 MBNA approved a card application in Mr B's name. It transpired that Mr B himself hadn't made the application, but his ex-partner had without his authority.

While he hadn't applied for the card, Mr B said he felt that it would be useful to have while he was working abroad. The card's first use was in Greece to pay for dinner, and then items such as jewellery and furniture were purchased.

In November 2007 two cheques were paid out from the MBNA account. The cheques were forged by Mr B's ex-partner, but both were paid into other accounts in Mr B's name.

Mr B explains that he was working abroad, and sending money home to his ex-partner to pay for bills, including the monthly payments to the MBNA card. However, it transpired that these payments stopped in around September 2009, and the account defaulted in January 2012, with interest and charges suspended.

Mr B complained to MBNA, explaining that he'd been defrauded by his former partner, with whom his relationship ended in March 2008. He said that this meant that he was being held responsible for debts he'd already repaid, as well as new debts that he'd had nothing to do with.

He told them that he'd been left in a very difficult financial situation, and that he'd sought debt advice and that other lenders had agreed to write-off his remaining debts.

MBNA didn't agree to remove Mr B's name from his credit card debt. It explained that the money spent had been utilised by Mr B, and that the cheques written had been to his benefit as they were paid into accounts in his name.

It also felt that he'd been negligent in allowing his former partner to take over his financial affairs to this extent.

Notwithstanding that Mr B said he was duped by his former partner, MBNA said that because he didn't tell it straight away when he realised the card had been applied for without his authority, and that he'd gone on to use it to authorise his own spending, it was entitled to hold him responsible for the debt.

Mr B complained to this service, and our adjudicator said that while Mr B had clearly been through a very difficult time, and that his former partner had left him with serious financial consequences to sort out, he'd benefitted from the spending on the card, and that MBNA wasn't obliged to write-off the debt.

Mr B didn't agree, and the complaint was referred to me for a final decision.

my findings

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'm afraid I have to tell Mr B that I think our adjudicator was right, and that MBNA is entitled to hold him responsible for the outstanding balance on the account.

I see that Mr B has been very unfortunate to have been taken advantage of to such an extent by his former partner, and that he now needs to deal with the fall-out of that. However, even taking this bad luck into account, I need to make a decision on this complaint that's fair to both parties.

While it doesn't seem fair to Mr B that he has to pay for a debt twice, having already sent the money intended to repay MBNA to his former partner, I think it's even more unfair to ask MBNA to write-off the money owed to it when it's done nothing wrong.

The person at fault in all of this seems to be Mr B's former partner, and in asking MBNA to write-off the remaining sum due on the account would be asking it to take responsibility for her actions. I can't ask it to do this.

I'm genuinely sorry for Mr B's current situation, and I do hope that he manages to find a workable solution with MBNA to repay the debt due.

my final decision

My final decision is that MBNA Limited is entitled to hold Mr B responsible for the outstanding balance on his account, but I would remind it that it now needs to take a positive and sympathetic approach in reaching a fair and sensible repayment agreement with him.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr B to accept or reject my decision before 17 August 2015.

Ashley L B More
ombudsman