

complaint

Mr V complains that MBNA Limited sold his debt to another company, which is pursuing him for repayment, even though it had earlier sent him a statement showing a nil balance.

background

Mr V owed a debt on his credit card with MBNA, and had entered into a repayment arrangement. He maintained this for a time, but the account was eventually registered as being in default and Mr V received a default notice from MBNA in August 2009.

In October 2010 Mr V received a statement of his account showing a nil balance. MBNA says that this was sent in error, and was caused by an internal transfer of the debt. It subsequently sold the debt of £7152.50 on to another company.

Mr V says he does not believe the statement was a mistake, and considers that – as it was more than two years after the statement before he was contacted by the new owner of the debt – MBNA should arrange for the debt to be written off entirely.

As the matter remained unresolved, Mr V brought his complaint to this service where it was investigated by an adjudicator. The adjudicator was satisfied that the statement had been sent by mistake, but recognised that Mr V was caused some upset when he was later approached for repayment.

The adjudicator noted that Mr V continued to be in contact with MBNA after receipt of the mistaken statement, and so considered that he was probably aware that he still owed MBNA money. Overall, the adjudicator considered that MBNA should pay Mr V £100 to reflect his upset, but was not persuaded that it should arrange for the debt to be written off.

Mr V did not agree with the adjudicator's conclusions. He did not accept that the debt should have been sold on after he had been sent a statement giving a nil balance, said that he was struggling financially and asked whether it would be possible to pay a reduced settlement of £3,000, which he recalls being offered at some point in 2010.

my findings

I have considered all the available evidence and arguments to decide what is fair and reasonable in the circumstances of this complaint.

I am satisfied, from the evidence, that the statement sent to Mr V by MBNA was sent in error. MBNA did not write off his debt, which was substantial and (in the context of the overall communications between Mr V and MBNA) I do not consider that it was reasonable for Mr V to assume that it had done so.

The time which elapsed between the statement going out and Mr V being contacted by the new owner of the debt did not, in my view, mean that Mr V was entitled to expect MBNA to arrange for the debt to be discharged.

But I accept that the letter should not have gone out, and that it caused some unnecessary confusion to Mr V for which he should be paid a small amount of compensation. I consider that the adjudicator's assessment of £100 represents a fair settlement in this case.

If Mr V wishes to explore the possibility of a concessionary settlement of the debt, he will need to discuss his proposals with the current owner of the debt.

my final decision

My final decision is that I uphold this complaint in part and direct MBNA Limited to pay Mr V £100.

Jane Hingston
ombudsman