

complaint

Mrs B complains that MBNA has not used an agreed repayment plan and that her debt has gone up. She wants the debt to be reduced and an explanation of the high interest rate.

background

Mrs B has had a credit card since 2003 which was originally issued by Abbey but is now MBNA. She says that about 5 years ago due to financial hardship she agreed a repayment plan of £150 per month. Statements show that she has been paying the minimum monthly payment by direct debit. She is disappointed that the balance has not been reduced and thinks the bank should have helped her. She also thinks that the interest rate is too high.

The adjudicator did not recommend that the complaint should be upheld. She concluded that there was no evidence that a repayment plan had ever been agreed. She found that the level of the interest rate was a commercial decision for the bank and not something on which this service could comment. Mrs B was still unhappy that the bank could take so much money and not reduce her debt.

my findings

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

Mrs B has not provided any evidence that a repayment plan was agreed and there is nothing about it in the bank's records. Mrs B's credit card statements showed that she was making the minimum monthly payment each month by direct debit. The statements also warned that making only the minimum payment means it will take longer to clear the balance. It is Mrs B's responsibility to ensure that the bank has her correct address and that she is receiving regular statements. I recognise Mrs B's disappointment that her balance had not reduced by more given the payments she had made over a number of years. But I find that the bank has not made any error in the management of her account. The interest rate charged on the credit card debt is a commercial decision for the bank to make. I consider MBNA has charged the rate set out on the statements, and I cannot properly interfere with this or require it to charge a lower rate.

my final decision

My final decision is that I do not uphold this complaint.

John Thornton
ombudsman