

complaint

Mr H complains that MBNA Limited will not refund to him the difference between the amount that he was quoted and the amount that he was required to pay for some car repairs.

Mr H's complaint is made against MBNA under section 75 of the Consumer Credit Act 1974.

Mr H also complains about charges and interest that have been applied to his account.

background

Mr H obtained quotes for some work that was to be performed on his car. He was charged more than the quoted amount which he paid so that his car would be released to him. He claimed the difference between the two amounts from MBNA under section 75 and asked for charges and interest to be refunded.

Mr H was not satisfied with MBNA's response so complained to this service.

Following the adjudicator's involvement, MBNA agreed to refund £172.61 to Mr H with interest, to refund any interest and charges associated with that amount, and to remove any adverse information recorded on his credit file in respect of this matter. The adjudicator considered that to be appropriate in the circumstances.

Mr H says, in summary, that all of the interest and charges that have been applied to his account should be refunded to him and that MBNA should not charge a £12 late payment fee each month when the outstanding amount subject to the fee is only £21.

my findings

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

MBNA has agreed to refund the difference between the quote and the invoiced amount (after an adjustment for the actual cost of a battery) to Mr H and to pay interest on that amount. It has also agreed to refund the interest and charges that have been applied in connection with the disputed invoice and to remove any adverse information that it has recorded on Mr H's credit file in connection with those amounts. I consider that to be fair and reasonable in the circumstances.

Mr H made a separate purchase in June 2013 using his MBNA credit card. Because of his complaint about MBNA, and because his direct debit has been cancelled, he has not paid MBNA for the amount due to it as a result of the June 2013 purchase. MBNA has therefore applied interest and charges in connection with that amount. The late payment charge is a fixed amount and is charged each month that the required minimum payment is not received by the payment due date. I consider that MBNA was entitled to apply those charges. I am therefore not persuaded that it would be fair or reasonable for me to require it to refund the interest and charges that have been applied in connection with that purchase to Mr H.

my final decision

For these reasons, my decision is that I uphold Mr H's complaint in part. In full and final settlement of it, I order MBNA Limited to:

1. Refund £172.61 to Mr H.
2. Pay interest on that amount at an annual rate of 8% simple from the date of payment to the date of settlement.
3. Refund to Mr H any interest and charges that have applied in connection with the disputed invoice.
4. Remove any adverse information recorded on Mr H's credit file as a result of the disputed invoice or the charges and interest that have been applied in connection with it.

If MBNA deducts tax from the interest element of my award it should send Mr H a tax deduction certificate when making payment. He can then use it to reclaim the tax if he is entitled to do so.

Jarrold Hastings
ombudsman