

complaint

Mr G complains that MBNA Limited failed to provide a reasonable standard of communication with him about his payment arrangements and did not send him statements, resulting in an unnecessary default being registered in respect of his credit card debt.

background

Mr G had entered into a payment arrangement for the debt on his credit card account with MBNA. He says that MBNA pressed him to agree to future debit card repayments for several months in advance, but did not then send him a reminder of the dates or warn him when he needed to set up further payments.

Mr G also says that MBNA did not tell him when a payment was refused by his bank and, because he did not receive statements, he did not realise that his payment arrangement had lapsed. Because of that, Mr G considers that MBNA was responsible for the default that was subsequently registered on his credit file for the debt. He would like MBNA to remove the default registration as settlement of his complaint.

MBNA did not agree that it had failed to keep Mr G informed about his payments, and said that account statements had continued to be issued as normal. So it was not willing to remove the default registration. As the matter remained in dispute, Mr G brought his complaint to this service where it was investigated by an adjudicator.

The adjudicator obtained evidence, including MBNA's internal notes for Mr G's account and telephone conversations. The adjudicator provided Mr G with details of the communications that she was satisfied had taken place between him and MBNA.

The adjudicator concluded that MBNA had taken reasonable steps to ensure that Mr G was aware of the repayment arrangements that had been set up, and what action he needed to take to ensure that follow-on payments were arranged. She was also satisfied that account statements had continued to be sent and felt MBNA had treated Mr G fairly overall. Because of that, the adjudicator did not recommend that the complaint should be upheld.

Mr G did not agree with the adjudicator's conclusions, and said (in summary):

- The transcript of a key telephone conversation was not accurate – he definitely complained in that conversation that he was not getting statements.
- When he told MBNA that he did not have time to study his statements, he meant his bank statements.
- If MBNA had set up a direct debit for payments it would have made a big difference, as his own bank would have told him if it had declined a payment and he could have transferred some money to pay it. That would have avoided the default.
- MBNA has been inconsistent, which left him expecting some sort of reminder because it had been helpful in the past. It feels as though MBNA tried to catch him out.

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 appreciate that Mr G feels very strongly that MBNA should have set up a direct debit to take payments from his bank account for the debt, so that he did not have to remember to arrange further repayments and would be told by his bank if a payment failed for lack of funds. In his view, if MBNA had done this then the default would not have happened.

However, MBNA was not obliged to set up and operate a direct debit for the payments. I am satisfied that it offered Mr G a reasonable alternative in agreeing blocks of debit card payments.

I am also satisfied, from the evidence, that it gave him suitable warnings about the need to be vigilant to ensure the payments were met from his bank account and also to set up a reminder to arrange a new block of payments when necessary. I am not persuaded that MBNA had a duty to Mr G to remind, prompt and warn him more strongly than it did.

Even if MBNA had telephoned Mr G on occasions in the past when his card payment was declined, I do not accept that failure to do so on every occasion meant that MBNA was responsible for the consequences of the non-payment.

The available evidence supports MBNA's case that statements continued to be sent as usual throughout the period in question. It may be that Mr G did not receive them, though I have seen no record of his telling MBNA that. As the adjudicator has explained to Mr G, we have listened to the call which Mr G has challenged and the transcript is accurate.

I cannot immediately identify any benefit to MBNA from deliberately creating a situation that would allow it to register the default, and I do not consider that it did so. The position on Mr G's account was such that MBNA was entitled to register the default, and I find that its actions were not unreasonable in the circumstances.

More broadly, MBNA has in my view been very fair with Mr G about debt repayment over a significant length of time, including suppressing interest and charges and bearing with him when agreed payments were missed. So I am satisfied that it acted fairly in relation to Mr G's financial difficulties.

my final decision

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

Under the rules of the Financial Ombudsman Service, I am required to ask Mr G to accept or reject my decision before 13 February 2015.

Jane Hingston
ombudsman