Financial Ombudsman Service

complaint
Mrs N complains that MBNA Limited wrongly charged her interest on her credit card. She'd like a refund.

our initial conclusions
Our adjudicator didn't uphold the complaint. She didn't think MBNA had done anything wrong. And thought that MBNA's refund of two months interest payments, as a goodwill gesture, was reasonable. Mrs N doesn't agree. She doesn't understand why she's being charged interest.

my final decision
I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint. Mrs N bought some airline tickets with her MBNA credit card as they were offered with 0% interest. She paid off all other purchases made on her credit card each month. But not the cost of the air tickets as she understood they were interest free. She doesn't understand why she was then charged interest.

I can understand Mrs N's confusion. But I've seen MBNA's terms and conditions. These clearly show that in order to pay no interest the full outstanding balance must be paid off each month. This information is also on Mrs N's credit card statements. The full outstanding balance includes all items purchased with the credit card including the airline tickets. As Mrs N didn't pay the full balance she wasn't charged interest on her airline purchases as these attracted 0% interest. But she was charged interest on her other purchases. To pay 0% interest on everything, Mrs N needed to pay off the full balance each month. Or only use the card for purchases such as her airline tickets that had a 0% interest rate.

MBNA has refunded two months interest payments totalling £318.94 as a gesture of goodwill. I think this is fair as I think Mrs N's confusion was understandable. But I don't think I can reasonably ask MBNA to compensate Mrs N further. And Mrs N does now know what she needs to do to avoid interest being charged on her card. **My final decision is that I don't uphold this complaint**.

Under the rules of the Financial Ombudsman Service, I am required to ask Mrs N either to accept or reject my decision before 8 February **2016.**

Bridget Makins
ombudsman at the Financial Ombudsman Service

The ombudsman may complete this section where appropriate – adding comments or further explanations of particular relevance to the case.

ombudsman notes

what is a final decision?

- A final decision by an ombudsman is our last word on a complaint. We send the final decision at the same time to both sides – the consumer and the financial business.
- Our complaints process involves various stages. It gives both parties to the complaint the opportunity to tell us their side of the story, provide further information, and disagree with our earlier findings – before the ombudsman reviews the case and makes a final decision.
- A final decision is the end of our complaints process. This means the ombudsman will not be able to deal with any further correspondence about the merits of the complaint.

what happens next?

- A final decision only becomes legally binding on the financial business if the consumer accepts it. To do this, the consumer should sign and date the acceptance card we send with the final decision – and return it to us before the date set out in the decision.
- If the consumer accepts a final decision before the date set out in the decision we will tell the financial business – it will then have to comply promptly with any instructions set out by the ombudsman in the decision.
- If the consumer does not accept a final decision before the date set out in the decision, neither side will be legally bound by it.