

## **complaint**

Mrs N complains that MBNA Europe Bank Limited is chasing her for a debt that she says is not hers.

## **background**

In 2011 Mrs N found that she had been paying a regular monthly direct debit to MBNA. She cancelled the direct debit and told her bank that she did not know what the payments were for. It made a claim under the direct debit guarantee and recalled the disputed payments from MBNA. The account was defaulted; MBNA started to chase Mrs N for repayment of the outstanding debt and then placed it with its debt collectors.

The adjudicator recommended that this complaint be upheld in part. He concluded that Mrs N did have a credit card account with MBNA and there was an outstanding debt. However, he found that MBNA had failed to update its records when Mrs N told it her new address and so she did not receive any statements or other information for a number of years. MBNA offered to pay £100 for the inconvenience this had caused, which he considered was fair.

Mrs N responded to say, in summary, that she had not cashed the cheque that was sent to her for the payments she had made by direct debit and debt collectors were now threatening to take her to Court. She had not said that she would not pay but wanted to understand that the debt was actually hers.

## **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 fully understand Mrs N's frustration in that she has not been provided with a clear explanation about her account and MBNA have not been able to provide her with a copy of her credit card agreement. However, it does not appear to be disputed that Mrs N originally opened a credit card account with Abbey in 1996. I find that MBNA took over the administration of the account in 2001 and, when Abbey was taken over by Santander, the original Abbey card was rebranded as a MBNA card in 2010.

During this time, Mrs N moved house and told Abbey her new address. This was not updated in its records and consequently Mrs N did not receive any letters to tell her that the card had changed to MBNA. Furthermore, she was not receiving statements. To complicate matters further, in 2007 Mrs N took out another card with Santander. I therefore accept that as she would not have been aware that her original credit card account was a MBNA account, and she knew that Santander had taken over Abbey, over time she might therefore believed that they were the same.

After very careful consideration of all the documents and statements, I consider that Mrs N had two credit card accounts. She has repaid and closed the account with Santander. The MBNA account remains open and I am satisfied that there is a debt outstanding, which is now with debt collecting agents. She had been repaying this by monthly direct debit since she last used the account in early 2007 but missed two repayments in 2011 and then cancelled the direct debit. Her bank then recalled over 5 years of repayments under the direct debit guarantee.

In the circumstances, I conclude that the direct debit payments were being correctly paid to MBNA. Mrs N may wish to use the cheque she has for the repayment of them to partly repay the debt. There will still be an amount outstanding and I find that this is properly due. If Mrs N has not already done so, I would urge her to contact MBNA or its agents to agree repayment of it.

MBNA has accepted that it did not change Mrs N's address in its records when she asked it to do so. If it had done so, I am persuaded that some of this confusion could have been avoided. However, I consider that Mrs N might reasonably have noticed that she was not receiving monthly statements and contacted MBNA rather sooner than she did. Our adjudicator recommended that MBNA should pay £100 for this but I am not convinced that is enough. Having regard to all the circumstances and the level of award we make I find that £200 is fair.

For the avoidance of doubt, my consideration of this matter is limited to Mrs N's complaint about the MBNA credit card debt. The issues which she has raised later – about the default fees and interest on the account– may be subject of a separate complaint, but it is not appropriate for me to comment on them here as MBNA has not had the opportunity to respond.

#### **my final decision**

My final decision is that I uphold this complaint in part. In full and final settlement, I order MBNA Europe Bank Limited to pay (not credit) Mrs N £200.

Karen Wharton  
**ombudsman**