

The complaint

Mr S is complaining about MBNA Limited because he believes it incorrectly applied a late payment marker to his credit file.

What happened

Mr S has a credit card with MBNA. On 22 May 2023, it issued a monthly statement saying payment was due by 16 June. The statement provided to us records the minimum payment required was £201.98.

On 12 June, Mr S called MBNA as he'd received an unexpected bill and wouldn't be able to pay by the due date. During this call, in response to his concerns about how his credit file would be affected, Mr S was told it wouldn't be as long he made the payment due by 6 July. Mr S stated his intention to pay by the end of the month.

Mr S made a payment of £118.40 on 30 June, in addition to an earlier payment of £8.50 on 5 June. This totalled £75.08 less than the minimum payment on the statement MBNA provided to us.

Around the same time, a temporary block was put on Mr S's card. He contacted MBNA on 5 July and the main reason for calling seems to have been to establish when the block would be removed. During the conversations on this date, Mr S was told the account was £75.08 in arrears. He asked if this would affect his credit file and the operator said they didn't know and he should contact the credit reference agencies (CRAs) to find out. Mr S said he'd make the payment the following week and did so a few days later.

Our investigator didn't recommend the complaint be upheld. She felt MBNA had been sufficiently clear on 12 June that Mr S would need to pay the required minimum amount by 6 July to avoid it being reported to the CRAs as late. She also felt MBNA was clear on 5 July that the account still wasn't up to date with arrears of £75.08.

Mr S didn't accept the investigator's assessment. He says he was told he only owed £118.40 and that's what he paid on 30 June. He's also provide screenshots showing he tried to make an online payment on 5 July but this wasn't successfully authorised.

The complaint has now been referred to me for review.

What I've decided – and why

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint.

Having done so, I've reached the same overall conclusions as the investigator, and for broadly the same reasons. If I haven't commented on any specific point, it's because I don't believe it's affected what I think is the right outcome. In considering this complaint I've had regard to the relevant law and regulations; any regulator's rules, guidance and standards, codes of practice, and what I consider was good industry practice at the time.

MBNA has provided a copy of the statement it says was issued on 22 May. This says a minimum payment of £201.98 was due by 16 June. Mr S says he was separately told a different amount of £118.40 – the amount he paid on 30 June. Unfortunately, he's not been able to provide any evidence to support this and MBNA has told us it's provided all the calls with him at this time. Without supporting evidence, I can't reasonably conclude MBNA made an error in telling Mr S how much was due.

Either way, I think it was clear from his telephone conversations with MBNA on 12 June that payments needed to be up to date by 6 July if Mr S wanted to avoid his credit file being negatively affected. It was also clear from his conversations on 5 July that the account was still in arrears. While the operator on 5 July wasn't so clear about how his credit file would be affected, he'd already been told payment would be needed by 6 July and nothing was said to contradict this.

Mr S has provided screenshots that appear to show he tried unsuccessfully to make a payment on 5 July. But the screenshots also seem to show he would have known the payment hadn't gone through. Given he'd been clearly told payments needed to be up to date by 6 July, he still had the opportunity to contact MBNA to pay by alternative means. In the end, he didn't do this and made a payment on 8 July instead.

This is a very unfortunate situation as it's clear Mr S was very keen to avoid his credit file being negatively affected. But MBNA are required to report accurate information to the CRAs. By extending the due date to 6 July, I think it made reasonable efforts to provide Mr S with additional time and, based on the evidence I've seen, I'm satisfied it was clear about the amount he needed to pay. Because full payment wasn't made by the extended deadline of 6 July, I'm satisfied MBNA was entitled to report a late payment to the CRAs.

It's for these reasons that I'm not upholding Mr S's complaint. I realise this outcome will be disappointing for Mr S and potentially leaves him in a difficult position, but I'm satisfied it's fair and reasonable in the circumstances.

My final decision

For the reasons I've explained, I'm not upholding Mr S's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr S to accept or reject my decision before 9 April 2024.

James Biles
Ombudsman