

## **The complaint**

Mr P complains that MBNA Limited closed his credit card account without notice, while he was on holiday.

## **What happened**

Mr P had a credit card account with MBNA. In August 2023 he called MBNA to request a new card and PIN as he was taking the card to use abroad, leaving 17 October. Mr P said he checked his account before travelling and all seemed in order. He said he logged into the account on 17 October and the credit limit was in place and the account appeared live. He said when he tried to use the card abroad to hire a car the card failed. He called MBNA who advised him the account was closed and could not be reactivated. Mr P said he and his family were stranded as he needed a credit card to pay the £1,200 insurance retainer. He said MBNA refused to help him on the phone and told him it would be 2 working days at least to potentially reactivate the account.

Mr P said the account was reactivated the following week but by this time it was impossible to travel to collect a hire car. He said he and his family had to use taxis and buses. Mr P said he checked his online access and despite being told the account was closed it still showed a credit limit available. He brought a complaint to MBNA.

In its final response MBNA said it sent a letter to Mr P in May to advise him it was closing his account as it hadn't been used for some time. It said as no activity took place the account was closed. It said it listened to the phone call from August when Mr P rang for assistance and it would've expected him to be informed that it had sent a letter. It reopened the account and paid Mr P £30 for the inconvenience.

Mr P wasn't satisfied and brought his complaint to this service. He said he received no empathy from MBNA for the situation he was in. He said the holiday was very stressful, especially for his family who had to navigate public transport with a wheelchair, and he had to spend £230 in travel costs.

Our investigator concluded that MBNA hadn't acted unfairly when it closed the account, but it should've informed Mr P when he called that the account was closing. He recommended a further £100 in compensation. Mr P didn't agree and asked for a decision from an ombudsman.

## **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.

I realise this will come as a disappointment to Mr P but having done so I agree with the conclusions reached by the investigator for the reasons I've outlined below.

I've seen a copy of the terms and conditions of Mr P's account. It says:

*A9. Ending this agreement and closing your account*

*If we close your account we normally give you at least two months' notice but may do so immediately in exceptional circumstances...*

*Can we stop you using your card or refuse to authorise a transaction?*

*B2.5. We may cancel or suspend use of the card, refuse to replace, or reissue a card or refuse to authorise a transaction or type of transaction if:*

*M) Your account has been closed or notice to close it has been provided*

*We are not responsible for any loss if a retailer or supplier refuses to accept your card or for the reasons set out above, we refuse to process a transaction or delay in doing so or we suspend your card.*

I've also seen a copy of a letter sent by MBNA in May 2023 titled "We'll be closing your credit card soon" and evidence from MBNA system that the letter was sent. The letter explains that cards that aren't used regularly are more likely to be at risk of fraud. It says the account will be closed unless Mr P contacts MBNA to let it know he wants it to remain open. Mr P has said he didn't receive this letter. I'm satisfied the letter was sent but I can't hold MBNA responsible for Mr P not receiving it.

Mr P has said he opted for paperless so he has queried why he didn't receive this notification by email. I understand his preference was for paperless but certain types of communication are regulatory and must be sent by post.

So I'm satisfied that MBNA was acting in line with its terms and conditions when it closed the account.

On 30 August Mr P called MBNA to request a re-set of his online banking and a new card, stating that he had not used it for a while. MBNA said the associate advised that access had been revoked and talked Mr P through the reset process. It said there was no mention of a notice of closure having been issued by either party. MBNA accepted that Mr P should have been informed of the closure during this phone call.

It's not clear to me how it is the associate wasn't able to see that the account was under a notice of closure. And MBNA has said that online access can remain for up to six months following closure. So Mr P's frustration is understandable. But unfortunately it's not my role to investigate MBNA's processes. We are not the regulator, and we do not have a role in reviewing the adequacy of a business's processes, in this case the process for online banking and account closures.

MBNA offered Mr P £30 in compensation for the distress and inconvenience this caused but I think it should go further. Had the associate informed Mr P of the account closure he would've been able to reverse it. So I consider an additional £100 compensation for the distress caused to be fair and reasonable.

Mr P has outlined the public transport costs he incurred and the stress of travel for his family after his credit card was refused for the rental car. I'm very sorry to hear about this. And I understand Mr P's strength of feeling in this matter. But I'm satisfied MBNA did give the appropriate notice for closure and the closure happened to come into effect at the same time as Mr P's holiday. It wouldn't be fair or reasonable for me to hold it accountable for the fact that he was on holiday at the time the closure occurred.

**Putting things right**

To put things right MBNA Limited must pay Mr P £100 in compensation for the distress and inconvenience caused.

**My final decision**

My final decision is that I uphold this complaint and MBNA Limited must put things right as set out above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr P to accept or reject my decision before 30 July 2024.

Maxine Sutton  
**Ombudsman**