

The complaint

X complains that MBNA Limited (MBNA) cancelled his credit card.

What happened

X has a credit card from MBNA. He travelled frequently and was in the USA in July 2023. On 29 July 2023 and 29 August 2023, his credit card was charged USD9.99 – by an online taxi firm.

On 8 September 2023, X called from India. He was to be there for another three months. He asked to dispute the charges – he didn't make the trips, nor did he sign up for the firm's subscription service.

On the call, MBNA cancelled the card and sent a new one to his UK address. MBNA refunded the amounts paid.

X complained. He said that on the call, he was given the choice whether to cancel the card, or not. And he said he didn't want to cancel it – as he needed it to use in India for the next three months. He was happy his card hadn't been compromised. MBNA cancelled the card.

MBNA's response to his complaint was posted to his UK address.

X says he had to travel back to the UK to collect the replacement credit card – this he did on 28 November 2023; he was forced to use other credit cards to pay for expenses in India or borrow money. The episode has caused him a lot of stress and anxiety. He says MBNA should pay compensation of £5,000.

MBNA said that when a fraud is reported on a credit card, the card needs to be cancelled and a new one issued. The disputed amounts were refunded. The bank apologised that the call wasn't as clear as it could've been – the call handler didn't clearly state the card would be cancelled. MBNA paid compensation of £200; and offered to pay call costs and other expenses if X could provide those.

X brought his complaint to us. Our investigator said MBNA didn't need to do anymore to settle X's complaint. He said:

- MBNA's process when an unauthorised transaction was reported was to cancel the card and send a replacement.
- The call handler said X could add his card to apple pay or google pay – this would've been a solution. But the call handler didn't go on to explain how that could be done.
- The call wasn't handled clearly, and for that MBNA paid compensation of £200.
- He considered that X had to return to the UK in November 2023 to renew his passport – so there weren't any additional costs to collect the replacement credit card.

- The evidence suggested that X had other cards with him in India, or other ways of making payments, so that reduced the impact of what happened.

X didn't agree and asked that an ombudsman look at his complaint, and so it has come to me to do that.

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've seen X's comments to our investigator – so let me say at the outset that we are not a consumer group – we don't take sides. We are independent and impartial and our role is to listen to both sides of a complaint, take evidence from both parties, and then decide on a fair and reasonable outcome.

There are several aspects to X's complaint:

- MBNA's process when unauthorised transactions are reported.
- The call on 8 September 2023.
- The use of apple pay/google pay.
- How MBNA's final response was sent to X.

MBNA's process when unauthorised transactions are reported.

I asked to see the bank's process and it is that whenever unauthorised transactions are reported, the credit card must be cancelled and a new one sent out.

I also asked to see the bank's terms and conditions and these also cover what happened – these say “*We may cancel or suspend use of the card, refuse to replace or reissue a card... (if) we have reasonable grounds for suspecting fraudulent or unauthorised use of your account, including if the transaction seems unusual compared with your normal card usage; (or) we consider it necessary to protect the security of your account or card...*”

So - the bank's process was to cancel X's credit card and send a new one to his UK postal address. So – MBNA followed their processes here. And the terms and conditions also say a card will be cancelled where there are unauthorised transactions.

In looking at X's complaint, I asked MBNA if they have an emergency courier service to send replacement cards in these circumstances – but unfortunately, the bank doesn't have one.

The call on 8 September 2023.

This is the crux of this complaint and I listened to a recording of the call. It's fair for me to say that the line wasn't very clear, and there were also delays– neither of which helped communications.

It also meant that X had to shout to make himself heard – which I think had the effect of the call handler believing he was being aggressive - when I think in fact he was just trying to make his points clearly. This was unfortunate.

On the call, X said he wanted to dispute the two transactions and explained how they may have occurred.

MBNA's call handler said that meant the bank "*will cancel the card and issue a new one*".

X then said "*that will be tough on me as I'm not back in the UK (for a long time)*".

After that, X said several times that he didn't want to have the card cancelled because he was sure it hadn't been compromised and he wanted to continue to use it in India. He said he would accept responsibility for any unauthorised payments on it as a result.

The call handler then went on to confirm she was cancelling the card and a new one would be sent to X's UK address. X repeated he didn't want the card to be cancelled. So, while there was some initial confusion, I'm satisfied it was made sufficiently clear that the card would be cancelled and a new one sent out.

The use of apple pay/google pay

On the call, MBNA's call handler said: "*You can set up apple pay or google pay on the new card*". But she made no more mention of that. I asked MBNA more about this - how a card could be added to X's phone without the physical card being held by him. They told us this could've been done in this case – by X viewing the replacement card details in online banking.

It seems to me that here was a reasonable solution for X – it would've enabled him to use the new MBNA card in India, which is what he wanted. But – the call handler didn't go into this solution in any detail, or press the point - and it would've solved X's problems had she done so.

How MBNA's final response was sent to X.

On the call, X asked that the response to his complaint be emailed - as he was away from the UK for an extended period. MBNA's call handler said their process was to post a hard copy to the UK address. We asked MBNA more about this and they told us that a copy was in fact emailed to X's email address.

Resolution:

I need to decide upon a reasonable way to resolve X's complaint. He has told us he had access to other cards in India – so it's fair for me to say he could make payments without his MBNA card. X has argued these charged higher fees – but the main impact of (for example) not being able to make any payments at all was reduced. So – the degree of inconvenience was less than it could have been.

X has also said he needed to come back to the UK to renew his passport in November 2023 – so there wasn't a special trip needed to collect the replacement card. X has told us this is the main objective of his complaint - he says he wants compensation of £5,000 for that.

I've further considered this – but I've not seen any evidence that suggests that X needed to make a special trip back to the UK to collect the replacement card. So, I don't think it's reasonable to ask MBNA to pay for the flight back to the UK.

But it's clear that the call could've been handled better:

- There was a need to be clearer about the cancellation of the card.
- There was a need to be clearer about the solution of adding the new card to apple pay/google pay on X's phone – this was dropped after one mention, but it was

obviously a solution for X.

I've considered whether it's reasonable to ask MBNA to pay more compensation for that. And on balance, I don't think it is, because X had access to other credit cards to use – even though they may have charged higher fees. So, the potential impact on him was reduced.

I accept X is looking for more than £200, but I'm satisfied that the sum paid by MBNA is right for what happened – the criteria for how we consider amounts of compensation is set out at:

<https://www.financial-ombudsman.org.uk/consumers/expect/compensation-for-distress-or-inconvenience>

MBNA offered to pay reasonable call costs and other expenses. I asked X for evidence of his call costs, but he can't provide these. Should he wish to ask MBNA for costs, he should contact the bank – but I will say that he will need to provide evidence of the costs he incurred.

In summary, I consider MBNA did enough to settle X's complaint, and while I know this will be disappointing for X, I am not asking them to do anymore here.

My final decision

I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask X to accept or reject my decision before 13 August 2024.

Martin Lord
Ombudsman