

The complaint

Mr S complains that he was charged interest on purchases made using his MBNA Limited credit card.

What happened

In June 2023 Mr S applied for a MBNA credit card with a promotional offer of 0% interest on purchases for 22 months.

Mr S used the card and made the minimum payment each month. However, he realised in January 2024 that he'd been charged interest on the account.

Mr S then discovered that the promotional offer of 0% interest on purchases for 22 months was only applicable to purchases made in the first 60 days.

Mr S complained to MBNA. He said that the advertisement for the card had given the impression that it was interest free for 22 months, rather than interest free on purchases made in the first 60 days. Mr S asked MBNA to refund the interest he'd been charged.

MBNA didn't uphold the complaint. In its final response dated 16 January 2024 it said the information regarding the promotional offer was in the terms and conditions, which Mr S had agreed to when opening the account. MBNA said it wouldn't refund interest.

Mr S remained unhappy and complained to this service.

Our investigator didn't uphold the complaint. He said the terms and conditions of the account made it clear that the promotional offer was only valid for purchase made within the first 60 days, and that after that interest would be applicable. The investigator said that MBNA hadn't made an error by charging interest on purchases made after 60 days.

Mr S didn't agree. He said the mobile banking app didn't show that he was being charged interest each month on purchases made after the first 60 days. He also said he hadn't been sent a reminder that the first 60 days had ended. Mr S said he didn't dispute that the details were within the terms and conditions but said he hadn't read these, and that the original advert for the card on a comparison website had been misleading.

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 reviewed the terms and conditions of the account. Mr S accepted these terms and conditions when he electronically signed the credit card agreement.

The terms and conditions state in section A3 that the 22 month 0% interest promotion applies to purchases in the first 60 days only.

I've also reviewed Mr S's monthly statements. The statement produced on 6 August 2023

shows that no interest was charged on transactions carried out since 6 July 2023.

The statement produced on 5 September 2023 shows that interest has been applied on transactions carried out after 19 August 2023 (which was 60 days after account opening).

The further monthly statements show (in the “breakdown of balance” section) the value of transactions on which interest is being charged as well as the transactions on which no interest is being charged.

Based on what I’ve seen, I’m satisfied that the terms and conditions of the account – and specifically the 0% promotion – were clear. I’m also satisfied that Mr S agreed to these terms and conditions when he signed the credit card agreement. Because of this, I’m unable to say that MBNA made an error or treated Mr S unfairly when it applied interest to transactions which were carried out 60 days after the account was opened.

Mr S has said that he initially saw the card advertised on a comparison site, which he clicked on and was taken through to MBNA’s website. Mr S has said that although the advert for the card on the comparison site now states in bold red that only purchases made within the first 60 days are interest free, this wasn’t the case when he saw the advert. Mr S says there has been a material change in the advert which highlights his point that the original advert was misleading.

Mr S hasn’t provided a screenshot of the advert he saw when he initially clicked through for the card and I haven’t been able to access this on the comparison website. So, I can’t be certain of what the advert said when Mr S viewed it, or whether there has been a change to the advert. However, even if the comparison website advertised the card in such a way that it wasn’t clear that the promotional offer applied to purchases in the first 60 days only, this isn’t something I can hold MBNA responsible for, because the comparison website is operated by a third party. Further, even if Mr S was given the impression by the comparison website that the promotion was on purchases for 22 months, I’m satisfied that as soon as he went onto the MBNA website and applied for the card, he knew – or ought to have known – that the promotion was for purchases on the first 60 days only, because the terms and conditions were very clear about this.

Taking everything into account, I haven’t seen any evidence to suggest that MBNA has made an error in applying interest to Mr S’s account on purchase made after the first 60 days. Nor do I think MBNA has treated Mr S unfairly. I won’t be asking MBNA to do anything further.

My final decision

My final decision is that I don’t uphold the complaint.

Under the rules of the Financial Ombudsman Service, I’m required to ask Mr S to accept or reject my decision before 8 September 2024.

Emma Davy
Ombudsman