

The complaint

Mr H complains about the service he received from MBNA Limited ("MBNA") in relation to incorrect contact details held on his account.

What happened

Mr H holds a credit card account with MBNA. His wife (Mrs H) is an additional card holder on the account. Mr H says he experienced inconvenience over a period of several months due to an incorrect phone number which was recorded on the account.

He says that, when his wife attempted online transactions using her card, MBNA tried to contact her using an old, incorrect phone number to verify the transactions. So, he says the transactions failed and the card was blocked until he spoke to MBNA to resolve the issue. Mr H says that, in addition to being extremely frustrating and inconvenient, this was a security concern for him because the authorisation texts were being sent to the wrong number.

When Mr H complained, MBNA suggested that the issue arose because Mrs H held another account within the same banking group and that its system was using the phone number from that account. It said that changes to Mrs H's profile would have to be made through her own account. It said it couldn't override this by changing her details on Mr H's account at his request. MBNA offered Mr H £25 as an apology for any inconvenience caused. But this hasn't been paid as Mr H declined the offer.

Mrs H didn't think she held any other accounts within the same group but may have done so in the past. Mr H says that MBNA wasn't helpful or supportive in resolving the issue and wouldn't tell him what the other account was or even whether it was a banking product or an insurance product. So, he says that he and his wife didn't know which business they needed to contact to update their details and had to try to find out by trial and error. In the meantime, he says that Mrs H couldn't reliably use her MBNA card and even had to ask third parties to complete transactions for her on occasion. Mr H says that he confirmed their contact details for all known, live accounts within the relevant banking group. But the incorrect number was still being used by MBNA to verify payments on Mrs H's card.

MBNA says that, in December 2022, during a call from Mr H, it updated Mrs H's details and recorded her mobile phone number on the account. Mr H is concerned that this may have been a data breach as MBNA had previously told him it couldn't do this. But he says that any changes made in December weren't successful in any event, as his wife continued to have problems using the card. He brought the complaint to this service as the issue remained unresolved and he said he had spent hours trying to sort it out. In January, after the complaint had been referred to this service, changes were made to the contact details on Mr H's account. Mrs H hasn't had any issues using her card since that time.

I issued a provisional decision on 13 September 2023, indicating my intention to uphold the complaint. I suggested that MBNA should pay compensation of £200 to Mr H. MBNA agreed to this. But Mr H said that, whilst he agreed with my provisional findings, he didn't think £200 was enough compensation. He said it doesn't cover the inconvenience and stress caused by

MBNA. He suggested he should be compensated by a certain amount for each letter or phone call he made.

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 carefully considered Mr H's comments following the provisional decision. I'm sorry to disappoint him, but I haven't changed my mind about the amount of compensation which MBNA should pay. The reasons for my decision are set out below.

Firstly, I'm satisfied that there was an incorrect phone number recorded on Mr H's account and that this was the source of the problem. I find that verification messages were sent to this incorrect number and that neither Mr H nor his wife had access to that phone number. So they couldn't authorise transactions.

I note Mr H's comment that the messages were sent to an unrecognised phone number. But, having considered all the evidence, I find that the number was an old landline number which Mr H had used previously. So, I'm satisfied that this isn't a case of MBNA having made an error while inputting a phone number. Rather, I think it's a case of a previously correct contact number not having been removed when it became obsolete. From the information I've seen, I find that MBNA first became aware that the number was no longer correct in November 2022, when Mr H contacted it about a failed transaction. So, I don't think MBNA had any reason to remove the number before this. But I think it should have been able to resolve the issue promptly once it became aware.

MBNA told Mr H that his wife's contact details would have to be updated by another part of the banking group where she held an account. MBNA says that, although it's part of a wider group of businesses, it is a separate brand and the information which its employees can access differs across the business. It says that not all agents would have been able to see which accounts Mrs H holds. But, even if they could, MBNA says the agents wouldn't have been able to give Mr H that information without first obtaining consent from Mrs H. That seems reasonable. But I don't think it was relevant here. That's because I don't think the problem was caused by a phone number held on a separate account belonging to Mrs H.

It's not in dispute that the issue was resolved in January. But the parties differ over how it was resolved. MBNA's system recorded that a letter from Mrs H was received within the banking group confirming a change of phone number and that this was actioned on 10 January. But Mr H says his wife didn't send a letter. He says she checked her details online and found that they were correct. He says that the contact details were actually changed by MBNA during a phone call in January.

I find that Mr H called MBNA on 7 January. MBNA has now provided a recording of that call, which confirms the following: (a) there was no record of the old phone number on Mrs H's profile; (b) only one number was saved on Mrs H's profile and that was her correct mobile number; and (c) the old phone number was saved on Mr H's profile, listed as a work number.

I find that the agent removed the old number from Mr H's profile during the phone call. Mrs H tried making a transaction online while the agent was on the phone. The verification process still said that she would receive a call on the old number. The agent entered her mobile number into all the fields (mobile, work, home) but the verification still referred to the old number. The agent contacted another department for help to resolve the issue. The call recording ends at that point (when Mr H was passed through to another department), so I'm not sure exactly what happened next. But, at that point in time, the verification process was

still using the old number. I asked MBNA what happened next and how the issue was subsequently resolved.

MBNA says it can't say for certain how the number used for verifying transactions was changed. But it says it's likely that the removal of the old telephone number from Mr H's profile led to the amendment being sent to its processing centre and actioned by them on 10 January. I find that to be the most likely explanation.

From the information I've seen, I'm satisfied that a change of phone number was actioned on Mrs H's profile on 10 January. MBNA's system recorded this as being triggered by a letter from Mrs H. But I don't find that to be the case as I'm satisfied that Mrs H didn't send any letter. Although the old phone number hadn't been recorded on Mrs H's profile, I think it's likely that because Mr H was the main account holder, this number from his profile was being used as part of the verification process, even when transactions were made on Mrs H's card. The agent on the internal part of the call suggested this might be the case.

So, I think the removal of the old number from Mr H's profile filtered through to Mrs H's profile and meant that the old number was no longer available to be used as part of the verification process. I think this was probably logged incorrectly as an incoming letter from Mrs H but was more likely to have been initiated within MBNA (or the wider banking group) as a result of the call on 7 January.

I'm pleased to hear that Mr and Mrs H haven't had any problems with card payments since then. But it's unfortunate that it took from November until January for the issue to be resolved. I think that the steps taken by MBNA between 7 and 10 January could have been taken when Mr H first called MBNA about the problem in November. That would have saved Mr H a good deal of inconvenience.

Instead of removing the old phone number at the outset, MBNA suggested that the issue was due to Mrs H holding another account within the wider banking group. I don't find that was the reason. I haven't seen the information MBNA relied on to reach this conclusion, if any. But it appears to have been a red herring which unfortunately meant the issue wasn't resolved and put Mr H to the unnecessary trouble of contacting other businesses and checking the contact details they held in an effort to find out where the problem lay. I don't think that was reasonable. It caused Mr H inconvenience and stress as well as taking up a considerable amount of his time.

MBNA reiterated this position in its response to Mr H's complaint. I think that was unfortunate as it meant the issue with the phone number wasn't looked at in more detail at that point and the problem persisted. The reference to a letter from Mrs H also added to the confusion. Mr H has raised concerns about MBNA's initial offer of £25, which was made before the problem with the contact number was resolved. He says that the problem should be addressed at the same time as any compensation is paid. I can understand his point of view. But it's not the role of this service to look at MBNA's complaint handling process. In any event, the situation has moved on here as the original issue has now been resolved and I'm satisfied that compensation of more than £25 is warranted.

Mr H has suggested that the compensation should be calculated by reference to the number of letters and telephone calls he made, with a certain amount of compensation being paid for each of these. I realise that's how a bank might charge for administrative matters. But we don't generally award compensation for specific activities or amounts of a customer's time. Instead, we look at the situation overall and decide what we think would be a fair amount in the individual circumstances of each complaint, bearing in mind that our awards aren't intended to punish the business but rather to reflect the impact on the customer.

Mr H has explained how the situation affected him. The experience was frustrating and stressful and caused inconvenience over a period of two to three months. I think MBNA could have dealt with the issue more proactively, as the agent did on the call on 7 January. But I'm looking at the situation impartially. So, I've balanced that against the fact that it wasn't MBNA's fault that the old contact number was held on Mr H's records to begin with. It had been recorded there legitimately but not removed when it became obsolete. MBNA couldn't have known that the number needed to be deleted until Mr H told it.

I'm sorry to disappoint Mr H but I still think £200 would be a fair amount of compensation in the circumstances here. As I said in my provisional decision, I haven't seen any evidence of financial loss, so I'm not going to make an award for that.

My final decision

For the reasons above, I uphold this complaint. MBNA Limited should pay compensation of £200 to Mr H.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr H to accept or reject my decision before 9 November 2023.

Katy Kidd
Ombudsman