

The complaint

Mr G complains about poor service from NewDay Ltd in connection with his 'Aqua' credit card.

What happened

Mr G wanted to make the minimum payment on his credit card account using several instalments. But he didn't realise that the maximum number of payments he could make in any one month was five. Mr G considered this stopped him from making the minimum payment for September 2019.

Aqua applied interest to Mr G's account which took him over his credit limit. Aqua charged an over limit fee which Mr G considered unfair.

He contacted Aqua through its online chat function, but had difficulty getting any meaningful response to his questions about how the interest and charges had been calculated and applied.

Mr G then contacted Aqua by phone. The business agreed to waive the over limit fee and interest as a gesture of goodwill. But a further over limit fee was then applied, which meant Mr G had to contact the bank again. This fee was also waived.

Mr G didn't make any further payments to his account, and late fees, over limit fees and interest continued to accrue.

Aqua said its fees and interest had been applied in line with the terms of the account. But it accepted that some of its service could've been better when Mr G contacted it through its chat function. It offered £75 as a gesture of goodwill.

Our investigator considered Aqua's resolution to Mr G's complaint was fair. He was satisfied that fees and interest had been applied in line with the account terms. So he considered the interest and charges Aqua had waived were reasonable. The investigator also considered Aqua's offer of £75 was reasonable in light of the poor service Mr G received.

Mr G didn't agree with the investigator's conclusions so the complaint has been passed to me.

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 looked carefully at Mr G's October statement, which show the payments he was making towards the minimum payment for September. Mr G considered it was unfair for Aqua to stop him from making a further payment, and then charge interest that took him over his credit limit. Mr G also objected to the over limit fee.

But I'm satisfied that Aqua explained to Mr G that the payments he'd made covered the

minimum payment. Interest was charged because he had a balance on his account (of around £300), and not because he couldn't make the additional payment as he'd wanted to.

I can appreciate that Mr G was unhappy with Aqua's poor service through its chat function when he tried to find out what was going on. And it's unfortunate that it took several chat attempts and phone calls before Aqua managed to explain why the charges had been made.

But I'm satisfied that the charges were made in line with the account's terms and conditions. So I consider Aqua acted reasonably when it waived the fees as a gesture of goodwill.

I've listened to the call between Aqua and Mr G where it was agreed that the fee and interest would be waived. It's unfortunate that the call handler didn't realise a further over limit fee would be charged almost as soon as the previous one had been refunded. So I can understand why Mr G was upset when he received a text chasing for payment.

Mr G had to call Aqua again and that fee was also waived. Again, I consider that was fair.

Aqua also offered £75 in recognition that its service could've been better. I consider that was fair and reasonable in the circumstances.

It seems Mr G understood there would be no further fees and interest applied to his account. But I think that may have been a misunderstanding on his part. I'm not persuaded that Aqua agreed there would be no further fees or interest charged.

From what I've seen and heard, I'm satisfied that Aqua's resolution to the complaint is fair and reasonable, so I won't be asking it to do anything else.

My final decision

My decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr G to accept or reject my decision before 3 November 2020.

Caroline Stirling
Ombudsman