

## **The complaint**

Ms G complains that NewDay Ltd unfairly reduced her credit card account limit which caused financial difficulties.

## **What happened**

Ms G says she made a large payment towards her credit card debt but NewDay then reduced her credit limit. She says that was unfair and caused her financial difficulties and meant her account was in the red. Ms G says she was unable to pay priority bills as a result of what took place.

NewDay says it didn't make a mistake and acted in line with account terms and conditions. It says it reduced the credit limit, but Ms G still had an available balance to use. NewDay says pending transactions meant Ms G did exceed the credit limit for a short period but it didn't charge any interest or report that to the Credit Reference Agencies (CRA's). It says Ms G can check with the CRA's the information it holds about her and the information it took into account when it made this decision.

Ms G brought her complaint to us and our investigator didn't uphold it. The investigator thought NewDay was entitled to reduce a credit limit in line with the account terms and conditions. And that Ms G was left with an available balance to use. The investigator accepted that there were pending transactions which meant Ms G exceeded her credit limit but didn't think there was any financial impact caused by that. The investigator also thought NewDay had fairly offered financial support to Ms G if she required it.

Ms G doesn't accept that view and says there wasn't any adverse information on her credit file just some missed payments and says NewDay didn't consider the pending transactions which it ought to have told her about.

## **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.

Having done so, I have come to the overall view that NewDay has dealt fairly with this complaint and I don't require it do anything further in the circumstances of it. I realise Ms G will be disappointed by my decision.

I have looked at the account terms and conditions which I think Ms G would have agreed to when the account was opened. Those terms and conditions say that NewDay can reduce a credit limit. I'm satisfied that is what took place here that NewDay made a commercial decision to reduce Ms G's credit limit and that it considered fairly its obligations as a responsible lender. I appreciate Ms G says that decision was unfair, but I can see that she accepts there were missed payments recorded on her credit file for a different lender. So, I don't think NewDay made a mistake or acted unfairly by reducing the credit limit.

I'm satisfied that the reduction meant that Ms G did have a small available balance to use but I accept that the pending transactions took the account balance over the credit limit for a short period. I appreciate Ms G says NewDay ought to have told her about those and I agree that it could have done so. But I don't think there was any significant impact caused by authorising those pending transactions as I can see NewDay didn't charge interest or a fee and didn't report any adverse information the CRA's.

Overall, I'm satisfied NewDay hasn't made a mistake or acted unfairly and I'm also satisfied that it fairly offered to speak to Ms G about any financial difficulties.

### **My final decision**

My final decision is that I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms G to accept or reject my decision before 26 October 2020.

David Singh  
**Ombudsman**