

The complaint

Mr C complains that he was given incorrect information about his credit card account interest rate by NewDay Ltd.

What happened

Mr C says he called NewDay in October 2019 and asked about the interest rate on his credit card account. He says he was given incorrect information and was told it was about 35%. Mr C says he spoke to NewDay in March 2020 and was told the rate was much higher. He would like the interest he paid refunded and for the interest rate on his account reduced to the rate he was given during the call in October 2019.

NewDay accepts it gave Mr C incorrect information in October 2019 but says the interest rate was clearly visible on the account statements. It has refunded two months interest and a late payment fee as well as paying £70 compensation. NewDay says it sent Mr C a letter in late 2017 containing details of the new interest rate.

Mr C brought his complaint to us and our investigator thought NewDay had dealt fairly with it. The investigator calculated the difference in the two interest rates and thought NewDay had paid more in refunding the two months interest than Mr C had paid. She also thought the compensation offer fair and reasonable and that there was limited use of the account during the period Mr C had been given incorrect information.

Mr C doesn't accept that view and says the compensation isn't enough and that the interest rate should be reduced.

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 to do anything further in the circumstances of it. I appreciate Mr C will be disappointed by my decision.

There is no issue here that NewDay made a mistake during the telephone call in October 2019 and gave Mr C the wrong information about the interest rate. But I'm satisfied NewDay has apologised for that mistake and acted fairly by refunding two months interest which I find is more than the "extra" interest Mr C paid from October 2019 to March 2020. I'm also satisfied that NewDay has fairly refunded a late payment fee and paid what I think is a fair and reasonable compensation amount of £70.

I accept Mr C was given incorrect information about the interest rate, but I can see the correct interest rates were clearly visible on the account statements and that NewDay wrote to Mr C in 2017 with the latest interest rates. So, I'm satisfied that although there was a mistake the correct information was visible to Mr C every month and that it was his responsibility to check the monthly statements.

I appreciate Mr C would like NewDay to reduce the interest rate to the rate he was told it was during the October 2019 call. But I can't fairly order NewDay to reduce its interest rates and find such matters are for it to decide when exercising its commercial judgement and not something I can fairly interfere in.

Overall, I'm satisfied that NewDay has dealt fairly with this complaint.

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 Mr C to accept or reject my decision before 10 May 2021.

David Singh
Ombudsman