

## **The complaint**

Mr H complains that NewDay Ltd refused to transfer his credit card balance to his loan account.

## **What happened**

The details of this complaint are well known to both parties, so I won't repeat them again here. The facts are not in dispute so instead I'll focus on giving the reasons for my decision.

## **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 agree with the conclusions reached by the investigator for these reasons:

I can appreciate Mr H's frustration at the delay in NewDay responding to his request for his credit card balance to be transferred to his loan account. NewDay has accepted that it was slow to respond and it has paid £40 compensation and refunded fees of £36. I appreciate Mr H was stressed by the delay as he was struggling financially. However, in terms of NewDay's failure to respond in a timely manner I consider its offer of redress to be fair.

The central issue is NewDay's refusal to agree to Mr H's request. This was not an option which NewDay offered to its customers. It does not transfer balances from credit card accounts to loan accounts. Nor can I require it to do so. This is a commercial decision which it is entitled to take. As our investigator has pointed out this not common industry practice.

It can consider a loan application which Mr H could use to pay off the credit card balance, but Mr H would have to make an application and there is no guarantee that this would be successful. However, in order for a resolution to be found both parties need to talk. I have noted that initially Mr H made numerous efforts to contact NewDay requesting a transfer. I am also aware that NewDay tried calling Mr H on a number of occasions, but without success.

As our investigator has pointed out NewDay wrote to Mr H seven times in December 2019 and January 2020. I have also noted that since our involvement our investigator has endeavoured to arrange a number of calls between the two parties, but without success. He has made significant efforts to get a dialogue going and I am satisfied that NewDay did try and call Mr H, but to no avail.

Mr H stopped making payments and so this has been reported to the credit reference agencies. NewDay has said it was obliged to do so and I cannot require it to do otherwise. It is simply reporting the factual position.

I am aware Mr H has made further complaints about the level of support offered by NewDay after the onset of the Covid pandemic, but these are separate issues and the business is entitled to address these before this service can become involved.

I recognise Mr H has found this matter stressful and it needs to be resolved, but I cannot say that, other than the initial delays for which NewDay has paid compensation, it has done anything wrong. It isn't obliged to make the transfer Mr H requested via email. I have noted Mr H's comments about NewDay and its handling of vulnerable customers, but I do not believe this allows me to uphold his complaint.

I have every sympathy with Mr H and I trust he and NewDay can enter into a constructive conversation. I would also remind NewDay of its obligation to deal with Mr H positively and sympathetically in helping him resolve his financial difficulties.

### **My final decision**

NewDay Ltd has already made an offer to pay £40 and forgo £36 fees to settle the complaint and I think this offer is fair in all the circumstances. So my decision is that NewDay Ltd should pay £40 and forgo £36 fees if it has not already done so.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr H to accept or reject my decision before 7 June 2021.

Ivor Graham  
**Ombudsman**