

The complaint

Mrs A complains that NewDay Ltd set up an arrangement on her account but didn't take the repayment and later passed her account to a collection business.

What happened

Mrs A says she was a victim of domestic violence and told NewDay about her difficulties in a telephone call of 15 January 2020. She says she set up an arrangement of £60 a month which she believes was via direct debit and thought the payment would automatically be taken. Mrs A says the debt was passed to a collection business and that she didn't receive letters from NewDay as she was not at her home address. She questions why NewDay didn't try and call her and also says it didn't deal sympathetically with her position.

NewDay says Mrs A told it during the call of 15 January 2020 that she was back in her home and that it agreed a three-month plan with her. It says it agreed to take the first payment by debit card and didn't mention a direct debit or that it would collect the other payments. NewDay says it sent a number of letters to Mrs A about the missed payments and tried to call her. It says Mrs A called about this issue on 25 March 2020 but didn't make the next required payment at the end of that month. NewDay says it wouldn't have known if Mrs A had moved address and was entitled in these circumstances to pass the account to a collections business.

Mrs A brought her complaint to us and our investigator didn't uphold it. The investigator listened to the January 2020 call and thought Mrs A had said she was back home and had access to her mail. The investigator thought the first payment was a one-off payment with no mention of a direct debit but accepted there may have been confusion about the next payments. The investigator thought in any event Mrs A hadn't made the March required payment and thought NewDay had written to Mrs A about the account.

Mrs A doesn't accept that view and in summary says she couldn't go back home as anticipated and maintains she asked for the payments to be taken automatically which is what she thinks was agreed.

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 I don't uphold this complaint. I appreciate Mrs A will be disappointed by my decision.

I have listened carefully to the crucial telephone call of 15 January 2020 to decide what was said and agreed. I'm satisfied that Mrs A told NewDay that she was back home and had been since the week before. And also told it that matters were all resolved, and she had access to her mail. I'm satisfied a payment plan for three months was set up and that Mrs A was clearly told the first payment could be taken by debit card as a one-off payment for the month of January 2020 only. I'm also satisfied that Mrs A was told she could set up a

payment arrangement if she received a letter from NewDay about it and that she was again told the payment arrangement by debit card was for January only. I don't think any mention was made of a direct debit and I think that NewDay was clear that only the first payment would be taken by debit card. So, I don't think NewDay misled Mrs A and I think it was her responsibility to make the next two payments.

I have also listened to the call between the parties of 25 March 2020. I think it's clear at that stage Mrs A knew the payment for February 2020 had not been made and that she was told she need to make the payments herself. But I don't think Mrs A paid the March 2020 required payment which I think suggests she was unable to keep to the agreement.

I have looked at NewDays' records and can see it tried to call Mrs A about her account and sent a number of letters to her. I appreciate Mrs A says she thought she would have access to her home but in fact didn't. But I don't think NewDay could have known about that and I have made clear that during the January 2020 call Mrs A told NewDay she was back in home and had been since the previous week. I would have expected Mrs A to have told NewDay if she was living at a different address and I can't fairly find it made a mistake by writing to the address it held on its records.

Overall, I'm satisfied that NewDay hasn't made a mistake or acted unfairly and was entitled to make a business decision in these circumstances and pass Mrs A's account to a collections business. I'm satisfied NewDay didn't mislead Mrs A or offer to set up a direct debit to collect the payments, which I find were Mrs A's responsibility to make.

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 Mrs A to accept or reject my decision before 20 July 2021.

David Singh
Ombudsman