

Complaint

Mr A has complained that NewDay Ltd (trading as “Aqua”card) irresponsibly provided him with credit card limit increases, which increased his debt. He’s also said that Aqua failed to respond to his needs by sending his account statements in an alternative format when he explained he was visually impaired.

Background and my provisional decision of 29 April 2021

Aqua provided Mr A with a credit card, with an initial credit limit of £250, in October 2012. This information provided in Aqua’s file indicates that Mr A was offered credit limit increases to the following amounts on the following occasions:

Date	Amount of additional credit	New limit
January 2013	£350.00	£600.00
May 2013	£200.00	£800.00
August 2013	£1,000.00	£1,800.00
July 2014	£750.00	£2,550.00
April 2015	£1,000.00	£3,550.00
August 2015	£1,000.00	£4,550.00
March 2016	£1,400.00	£5,950.00

One of our investigators looked into Mr A’s complaint. He didn’t think that Aqua had done anything wrong when increasing Mr A’s credit limit or that Aqua unfairly failed to provide Mr A with his statements in an alternative format. So he didn’t uphold the complaint. Mr A disagreed with our investigator and asked for an ombudsman’s decision.

On 29 April 2021, I issued a provisional decision setting out my initial findings on Mr A’s complaint. I won’t copy that decision in full, but I will instead provide a summary of my findings.

I started by explaining that having carefully considered the relevant issues, I thought there were three overarching questions that I needed to consider in order to provisionally decide what was fair and reasonable in all the circumstances of Mr A’s complaint. These questions were:

- Did Aqua carry out reasonable and proportionate checks to satisfy itself that Mr A would be able to repay what he borrowed in a sustainable way at the time of each lending decision (in other words - when initially providing the card and then each time it increased the credit limit)?
 - If not, what would reasonable and proportionate checks more likely than not have shown?
- Bearing in mind the circumstances, at the time of each credit limit increase, was there a point where Aqua ought reasonably to have realised it was increasing Mr A’s

indebtedness in a way that was unsustainable or otherwise harmful and so shouldn't have provided further credit?

- Did Aqua act unfairly or unreasonably towards Mr A in some other way?

I started by considering the first of these overarching questions.

My consideration of this matter began by me explaining that the rules and regulations throughout Aqua's lending relationship with Mr A required it to carry out a reasonable and proportionate assessment of whether he could afford to repay what he owed in a sustainable manner. This assessment is sometimes referred to as an "affordability assessment" or "affordability check".

The checks had to be "borrower" focused – so Aqua had to think about whether repaying the credit sustainably would cause difficulties or adverse consequences *for Mr A*. In practice this meant that Aqua had to ensure that making the payments to the credit wouldn't cause Mr A undue difficulty or adverse consequences. In other words, it wasn't enough for Aqua to simply think about the likelihood of it getting its money back, it had to consider the impact of any repayments on Mr A.

Checks also had to be "proportionate" to the specific circumstances of the loan application. In general, what constitutes a proportionate affordability check will be dependent upon a number of factors including – but not limited to – the particular circumstances of the consumer (e.g. their financial history, current situation and outlook, and any indications of vulnerability or financial difficulty) and the amount / type / cost of credit they are seeking.

In light of this, I thought that a reasonable and proportionate check ought generally to have been *more* thorough:

- the *lower* a customer's income (reflecting that it could be more difficult to make any repayments to credit from a lower level of income);
- the *higher* the amount due to be repaid (reflecting that it could be more difficult to meet higher repayments from a particular level of income);
- the *longer* the period of time a borrower will be indebted for (reflecting the fact that the total cost of the credit is likely to be greater and the customer is required to make repayments for an extended period).

I explained that there might also be other factors which could influence how detailed a proportionate check should've be for a given loan application – including (but not limited to) any indications of borrower vulnerability and any foreseeable changes in future circumstances. I kept all of this in mind when thinking about whether Aqua did what it needed to before initially agreeing to Mr A's credit card and each time it increased his credit limit.

Aqua said that Mr A passed its affordability checks which were based on external credit bureau data and in line with Financial Conduct Authority ("FCA") guidelines before initially agreeing to provide Mr A with a credit card and the subsequent credit limit increases. It didn't really provide the detail in relation to what these searches showed but it said Mr A wasn't in arrears on any accounts and didn't have any defaults. As a result, he would most likely have been eligible for credit limit increases in line with its policy on responsible lending.

The initial decision to provide Mr A with a credit card with a limit of £250

I explained that Mr A was given a credit facility where there was an expectation that he'd repay what he borrowed plus the interest due within a reasonable period of time. The Office of Fair Trading's Irresponsible Lending Guidance ("ILG"), which was in place at the time Aqua initially provided this card rather than any FCA guidance, didn't set out what a reasonable period of time is. So I thought it important to note that a reasonable period of time would always be dependent on the circumstances of the individual case.

That said, Mr A's income at the time together with there not being anything too concerning on his credit file led me to think that it was reasonable and proportionate for Aqua to have concluded Mr A would be able to repay £250 within a reasonable period of time. So I didn't think that Aqua did anything wrong when it initially provided Mr A with a credit card that had a £300 limit.

The first credit limit increase in January 2013

Aqua then offered Mr A a credit limit increase to £600 in September 2013. In my view, this was a significant increase and I thought this meant Aqua needed to ensure Mr A could sustainably repay a balance of £600 within a reasonable period of time. Aqua's correspondence appeared to suggest that its decision to increase the credit limit on Mr A's account was based on his account conduct and management. I had significant concerns with the principle of this approach.

It was not clear to me how and why a borrower who was able to successfully manage a given credit limit could then automatically be deemed, without further checks, to be able to successfully manage a higher limit. It seemed to me that this logic would likely lead to continually increasing limits, unless or until problems arose. And for reasons I went on to explain later on in my provisional decision, that's precisely what ended up happening further down the line in Mr A's case.

Notwithstanding this, at the time of the first limit increase I could see that Mr A had made a couple of large payments to his account and the balance was kept under the limit in the months since the account had been opened. So I could to some extent see why this may have given Aqua the impression that Mr A was managing the account well. And although I didn't think that this is, in itself, meant that Mr A was in a position to sustainably repay the balance within a reasonable period I found that the decision to increase Mr A's credit limit to £600 wasn't unreasonable.

The second credit limit increase in May 2013

The second credit limit increase increased Mr A's credit limit by £200 from £600 to £800. It took effect in May 2013. I accepted that as the limit was only increased by £200, there was an argument for saying that this wasn't a significant increase to the credit limit and so there wasn't a need for a further affordability assessment. But £200 was a third of the previous £600 limit. So I wasn't necessarily persuaded by this argument. It wasn't clear to me what checks, if any at all, Aqua carried out before deciding to offer the credit limit increase to £800.

But, in any event, the information I had led me to think that it was more likely than not that reasonable and proportionate checks would not have shown that Mr A wouldn't have been able to sustainably repay the additional £200 within a reasonable period of time. So I didn't think that it was wholly unreasonable for Aqua to have offered and then provided this credit limit increase to Mr A.

The third credit limit increase in August 2013

Aqua increased Mr A's credit limit by a further £1000 to £1,800 in August 2013. This clearly was a significant increase. So I explained that Aqua needed to carry out further checks to understand whether Mr A could sustainably repay a balance of £1,800 within a reasonable period of time. Aqua hadn't said exactly what it was it relied on in order to conclude that Mr A would be able to sustainably repay a credit limit of £1,800.00. It simply said that it saw no arrears on either Mr A's account with Aqua or other lenders; no cash spends, which can be a high-risk indicator when coupled together with other factors and there were minimal late and over limit fees.

But none of this told me about Mr A's disposable income at the time, or his ability to sustainably repay the extra £1,000 Aqua was offering. Indeed, in my view, Aqua appeared to be relying heavily on its "internal risk strategies". Given Aqua insisted that Mr A's credit was responsibly provided, I thought that it ought to have known – and also been able to explain – exactly what information it gathered, how it interpreted this information and how its internal risk strategies led to responsible lending decisions being made in Mr A's case.

Indeed it appeared to me as though Aqua expected me to simply accept its standard process (and internal risk strategies) always led to fair lending decisions. Without such an explanation from Aqua, I could not and would not take it as read that its decisions to lend to Mr A were fair simply because its – internal risk strategies – approved these increases.

That said, having looked at Mr A's bank statements in the months leading up to August 2013, I was satisfied that Mr A did have the funds to make the payments required to repay £1,800 within a reasonable period of time. I said this while also mindful that Mr A's repayment record on his Aqua card at this point showed him making payments significantly in excess of what he was required to do so. Therefore, while I wasn't persuaded the checks Aqua carried out before increasing Mr A's credit limit in August 2013 were reasonable and proportionate, I was satisfied that such checks wouldn't have prevented Aqua from offering the additional funds.

However, I didn't think it was necessary for me to go on to recreate individual, proportionate checks from this point onwards. This was because of the second of the overarching questions required me to consider whether there was a point where Aqua ought reasonably to have realised it was increasing Mr A's indebtedness in a way that was unsustainable or otherwise harmful and so shouldn't have provided further credit. And I thought that this point had been reached in July 2014.

In reaching this conclusion I was mindful that the relevant rules and guidance made it clear that a lender shouldn't have continued offering credit where the borrowing is unsustainable or otherwise harmful and/or where it was apparent the borrower may have been experiencing financial difficulties. So in addition to assessing the circumstances behind each *individual* lending decision, I also thought it was fair and reasonable to look at what unfolded during the course of Mr A's account history with Aqua – especially how it was managed.

By this stage I'd already explained why I thought that reasonable and proportionate affordability checks weren't completed from the second credit limit onwards. And that based on the evidence on file, I couldn't say that proportionate checks would not have shown that the first, second and third limit increases when considered individually were unsustainable.

But looking at what happened after August 2013 (when the third limit increase came into effect) and the period leading up to the increase in July 2014, I thought that a pattern of Mr A struggling to manage his account and his existing debt had now become established. Mr A made a number of minimum payments – five in a row – in the lead up to July 2014.

Furthermore, while Mr A's payments, after the card was first provided, were making inroads into the outstanding balance, Mr A's overall indebtedness was increasing from October 2013. There was only a single month where Mr A's balance was under £1,000. So Mr A's payment history, in itself, was suggesting that he might not have been able to repay his account balance within a reasonable period of time. It also looked like Mr A was already over his existing limit at the time the July 2014 limit increase took place. And I thought that the account was never really able to recover from this point.

In my view, Mr A's account management showed that he may well have been struggling financially (he breached his existing credit limit once in the six months leading up to July 2014, four times in the six months leading up to April 2015, three times in the six months leading up to August 2015 and twice in the period leading up to the final limit increase in March 2016) and, at the very least, it was a clear indication that he wasn't managing the credit on his account well. Aqua had even told us that there was an increase in over limit fees which can be a strong predictor of risk. And I also thought it was aware that it was required to monitor Mr A's repayment record and offering assistance where it appeared that he might have been experiencing financial difficulty.

I didn't think that more than trebling Mr A's credit limit – in the less than two-year period between July 2014 and March 2016 and therefore offering substantially more credit at an APR of 32.2% - when Mr A was already struggling to manage his existing debt was offering assistance. In my view, Aqua increasing Mr A's credit limit in this way and in these circumstances was adding to any potential financial difficulty rather than offering assistance.

I was also astounded by Aqua's decision to offer Mr A a credit limit increase in the circumstances that it did in March 2016. Aqua said that it wouldn't necessarily decline to offer an increase just because a borrower exceeded their credit limit as long as the account was immediately brought up to date. But Mr A was charged over limit fees (and so was over his limit) in January 2016 and February 2016. So his account clearly wasn't immediately brought back within its limit. And it also looks like he was also charged late payment fees too.

And leaving aside my concerns at Aqua appearing to have failed to follow its own lending policy, the March 2016 increase clearly took place after a sustained period of Mr A proving himself unable to manage his account and being over his limit. I couldn't see any reasonable basis for Aqua concluding that this payment record meant that Mr A would be able to sustainably repay a further £1400 within a reasonable period of time.

In my view, Aqua increasing Mr A's credit limit in this way - when he was already clearly demonstrating an inability to manage his existing debt - unfairly increased and prolonged his indebtedness. I thought that Aqua ought fairly and reasonably to have realised that Mr A's existing debt may well have become a problem and taken steps other than continuing to provide more and more expensive credit. Instead, its actions meant that Mr A paid Aqua high amounts of interest for the privilege of it allowing him to delay dealing with his unsustainable debt.

I saw what Aqua said about it sending Mr A letters offering him the opportunity to opt out of the proposed limit increases. But I couldn't see how this made a difference as to whether it was fair and reasonable to offer these limit increases in the first place. It seemed to me that Aqua was trying to outsource its responsibility to assess whether Mr A was able to sustainably make the payments to an increased credit limit onto Mr A. And I didn't find this line of argument helpful and I certainly didn't find it persuasive.

Given all of Aqua's obligations and what I thought was fair and reasonable taking into account the circumstances and everything I'd covered, I found that Aqua ought fairly and

reasonably to have realised it was increasing Mr A's indebtedness in a way that was unsustainable or otherwise harmful. And so it shouldn't have provided any further credit limit increases after it increased Mr A's credit limit to £1,800 in August 2013.

I then went on to consider whether Aqua had acted unfairly or unreasonably towards Mr A in some other way.

Mr A was unhappy that Aqua failed to adapt to his communication needs when he explained that he had a visual impairment and was having difficulty reading the correspondence he was being sent. He'd said that he informed Aqua of this several times from 2015 onwards yet it continued sending documents in its standard format.

Aqua provided screenshots from its records which detailed the contact it had with Mr A during the years he'd been a customer. I looked through the records and I couldn't see any conversations where Mr A mentioned he was visually impaired, or that he was having difficulty with Aqua's correspondence, or that he made a request for it to be provided in an alternative format prior to 2019.

Of course, the lack of a record on Aqua's contact logs didn't in itself mean that Mr A didn't notify it about this matter sooner and I was mindful that Aqua also accepted that it didn't adjust its communications to Mr A's needs even when it did hear from him in 2019. But in the absence of any records from Mr A (or his representative on his behalf) or any confirmation of the specific dates that these calls took place, I didn't have enough to make a finding that it was more likely than not Aqua unfairly and unreasonably failed to act on a request from Mr A to provide correspondence in a format more tailored to his needs prior to 2019.

That said, all parties were in agreement that Mr A did get in contact about his visual impairment and the difficulty he was having with the correspondence he was receiving in 2019. Aqua and our investigator were both of the opinion that Mr A didn't lose out as a result of Aqua's failure to adapt to Mr A's communication needs as he 'managed' his account. But I disagreed with this for a couple of reasons.

Firstly, as I'd already set out earlier, I wasn't persuaded that Mr A's account was being managed well at this stage. And, in any event, I couldn't see and didn't understand how Aqua collecting Mr A's monthly payment by direct debit each month showed that he wasn't having any difficulty reading his statements. In my view, Aqua was automatically collecting a set amount each month. And if anything, Mr A simply sticking to the monthly direct debit supported him perhaps having difficulty reading his statements as he didn't respond to the suggestion that he increase his monthly payment to avoid falling into persistent debt. So I didn't think that Mr A's management of his account told me anything about his ability to read and understand the correspondence he was sent.

In any event, even if I did accept Aqua's argument that Mr A wasn't prevented from acting any differently by Aqua's failure to take account of his visual impairment, which I'd already explained I did not, I explained that when a business is aware that a customer has a visual impairment, I'd expect it to respond in a positive and proactive way to try and provide assistance. In these circumstances, it ought to have engaged with the customer in a way which encouraged them to explain what adaptation, or support they required. Most importantly, I'd expect the business concerned to take reasonable steps to ensure it was still able to provide a level of service commensurate to what it offered to its other customers.

So when Mr A told Aqua about his visual impairment, I would have expected it to have made reasonable adjustments in order for its service to be accessible to Mr A. These adjustments should have looked to ensure that Mr A received statements in a format, which enabled him as closely as was reasonably possible, to get the same level of understanding usually achieved by customers who didn't have his visual impairment. Having considered

everything, it was clear to me that Aqua didn't take any steps at all to meet Mr A's needs let alone make any reasonable adjustments.

I didn't think Aqua had been responsive or flexible and I was satisfied Mr A hadn't been able to read important documents and letters he'd been sent. So I found that Aqua unfairly failed to adapt to Mr A's communication needs and it followed that I found that it did act unfairly or unreasonably towards Mr A in some other way.

All of this led to me issuing a final decision which found that:

- Aqua *did* complete reasonable and proportionate checks on Mr A to satisfy itself that he was able to sustainably repay the initial credit limit of £250 (in October 2012) and £600 at the time of the first credit limit increase (of £350) in January 2013;
- Aqua *didn't* complete reasonable and proportionate checks on Mr A to satisfy itself that he was able to sustainably repay what she owed for any of the credit limit increases offered from May 2013 onwards;
- reasonable and proportionate checks *would not* more likely than not have shown Mr A was unable to sustainably repay what he owed within a reasonable period of time when his credit limit was increased to £800 in May 2013 and £1,800 in August 2013;
- Aqua ought fairly and reasonably to have realised that the credit limit increases *after* August 2013 (in other words the ones from July 2014 onwards) were unsustainable or otherwise harmful for Mr A and were unfairly and excessively increasing his overall indebtedness;
- Aqua did also act unfairly or unreasonably towards Mrs W in some other way.

These findings leave me intending to issue a final decision which found that Aqua didn't act fairly and reasonably in its dealings with Mr A.

I also found that Mr A had lost out as a result of Aqua failing to act fairly and reasonably towards him, because he had to pay a significant amount of interest and charges. I then finally set out a method of putting things right for Mr A, which I found addressed Aqua's failings and Mr A's resulting loss.

Aqua's response to my provisional decision

Despite being provided with a further copy of my provisional decision and being chased to do so, Aqua didn't provide anything further for me to consider, or ask for any additional time to do so.

Mr A's response to my provisional decision

Mr A responded to confirm that receipt of my provisional decision. And he made no further points for me to consider.

My findings

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint.

In reaching my decision, I've taken into account the relevant law and regulations; relevant regulators' rules, guidance and standards; and relevant codes of practice.

Taking into account the relevant rules, law and publications, I remain of the view that the three overarching questions that I set out in my provisional decision are what I need to consider in deciding what's fair and reasonable in the circumstances of this complaint. These are:

- Did Aqua carry out reasonable and proportionate checks to satisfy itself that Mr A would be able to repay what he borrowed in a sustainable way at the time of each lending decision (in other words - when initially providing the card and then each time it increased the credit limit)?
 - If not, what would reasonable and proportionate checks more likely than not have shown?
- Bearing in mind the circumstances, at the time of each credit limit increase, was there a point where Aqua ought reasonably to have realised it was increasing Mr A's indebtedness in a way that was unsustainable or otherwise harmful and so shouldn't have provided further credit?
- Did Aqua act unfairly or unreasonably towards Mr A in some other way?

I carefully considered these questions and set out, in some detail, my findings in relation to them in my provisional decision of 29 April 2021. Given this is the case, and I've not been provided with anything further at all to consider, I've not been persuaded to depart from the provisional findings I reached on 29 April 2021.

As this is the case I find that:

- Aqua *did* complete reasonable and proportionate checks on Mr A to satisfy itself that he was able to sustainably repay the initial credit limit of £250 (in October 2012) and £600 at the time of the first credit limit increase (of £350) in January 2013;
- Aqua *didn't* complete reasonable and proportionate checks on Mr A to satisfy itself that he was able to sustainably repay what she owed for any of the credit limit increases offered from May 2013 onwards;
- reasonable and proportionate checks *would not* more likely than not have shown Mr A was unable to sustainably repay what he owed within a reasonable period of time when his credit limit was increased to £800 in May 2013 and £1,800 in August 2013;
- Aqua ought fairly and reasonably to have realised that the credit limit increases *after* August 2013 (in other words the ones from July 2014 onwards) were unsustainable or otherwise harmful for Mr A and were unfairly and excessively increasing his overall indebtedness;
- Aqua did also act unfairly or unreasonably towards Mr A in some other way.

These findings leave me concluding that Aqua didn't act fairly and reasonably towards Mr A in its dealings with him. As I've already explained why Mr A lost out because Aqua didn't act fairly and reasonably towards him, I think it should put things right for Mr A. And I'll now set out what I think Amigo should do.

Fair compensation – what Aqua needs to do to put things right for Mr A

I've given a lot of careful thought to what fair compensation should look like in this case.

The unfair credit limit increases

I want to start by saying that in most cases, where credit has been provided when it shouldn't have been, it would be fair and reasonable for the lender to refund any interest and charges paid by the borrower (if they were) plus interest. And the borrower would be expected to repay any remaining amount of the funds they were given. So ordinarily I'd expect Mr A to pay back the funds he was lent – when he used his card – but not the interest.

That said, I'm mindful of the particular circumstances of this case and I think that a simple refund of the interest and charges merely provides a useful starting point here. Bearing in mind the circumstances, I think Aqua needs to do a bit more than this and it should therefore do the following.

Aqua should start by reworking Mr A's account to remove the effect of any interest and charges accrued on the account as a result of the unfair credit limit increases which took place in July 2014, April 2015 and August 2015. In other words, for the period from the July 2014 statement up until March 2016 statement, Aqua can only add any interest due on the first £1,850 of the balance (of course any capital spend on the card can be included as this isn't being written off) – all late payment and over limit fees also need to be refunded irrespective of what any reconstructed balance may show.

I've also said that I was especially concerned about the March 2016 limit increase. Aqua increased Mr A's credit limit by a further £1,400.00 at a time when it clearly would have seen he was in financial difficulty and proving unable to repay a lower amount. So Aqua should remove all the interest, fees and charges added to the account after March 2016 to reflect the fact that he was in financial difficulty and it failed to offer assistance and exercise forbearance.

I also think that, in March 2016, Aqua advanced additional credit in circumstances where it ought reasonably to have realised that there was a significant risk it wouldn't get what it was advancing back without this causing Mr A financial difficulty. Aqua's decision to advance a substantial amount of additional credit in these circumstances was so egregious and Mr A has clearly been unable to pay these funds back. In my view, my direction on this case should fairly and reasonably reflect this.

So I also think that Aqua should reduce the reworked balance (once all interest, fees and charges adjustments have been made) by a further £1,400 to reflect the fact that it provided this further sum in circumstances where it ought to have known there was a realistic possibility it would see those funds dissipate and it, in any event, chose to take that risk. As that loss went on to materialise, I think that it's Aqua that should bear this loss. And it should reduce the reworked balance by a further £1,400 to fairly and reasonably reflect this.

Compensation for Aqua acting unfairly or unreasonably towards Mr A in some other way

As well as Aqua unwinding any wrongdoing caused by it allowing Mr A to continue using his credit card after it became unsustainable, I also think that Aqua should pay compensation for the distress and inconvenience its failure to make reasonable adjustments to take account of Mr A's visual impairment caused. Our website contains detailed examples of distress and inconvenience awards we might make and the reasons why we might make them. These are set out in different categories and levels – to show the range of awards we make.

I've carefully considered the amount of compensation Aqua should pay with reference to these distress and inconvenience awards and categories. I've already explained that Mr A was in financial difficulty in 2019. And I think his apparent financial difficulty at this time means he's unlikely to have been able to clear the arrears which had built up. Nonetheless he will have had to ask other people to read private and confidential correspondence to him and it's arguable that a visually impaired marker being placed on Mr A's account may have prevented it from being sold to a third-party. Although it's unclear what Aqua's policy on this matter is.

Having considered all of this in the round, I think that Aqua's actions caused Mr A a moderate amount of distress, inconvenience, anxiety and suffering. Our website sets out a compensation range of up to £500 where a consumer has suffered moderate distress and inconvenience. Given this happened at a time when Mr A was already struggling financially and is bound to have compounded matters, I think an award at the top end of this scale is fair and reasonable in all the circumstances of this case.

So having carefully considered everything, given the particular circumstances of Mr A's complaint, I'm awarding Mr A £500 for the distress and inconvenience caused by Aqua acting unfairly and unreasonably towards him in some other way.

All of this means that Aqua should do the following to put things right for Mr A.

- rework the account to ensure that from July 2014 until March 2016 interest is only charged on the first £1,850 outstanding - to reflect the fact that no further credit limit increases should have been provided. All interest fees, and charges applied to the account from March 2016 onwards should be removed to reflect that Mr A was in financial difficulty and Aqua should have exercised forbearance. All late payment and over limit fees should also be removed;
- reduce the reworked account balance by a further £1,400;
- if an outstanding balance remains on Mr A's account once all adjustments have been made Aqua should contact Mr A to arrange a suitable repayment plan for this. If it considers it appropriate to record negative information on Mr A's credit file, it should backdate this to March 2016;
- if the effect of all adjustments results in there no longer being an outstanding balance, then any extra should be treated as overpayments and returned to Mr A along with 8% simple interest† on the overpayments from the date they were made until the date of settlement. If no outstanding balance remains after all adjustments have been made, then Aqua should remove any adverse information from Mr A's credit file;

- pay Mr A £500 in compensation for the distress and inconvenience caused by it unfairly failing to make reasonable adjustments in response to being notified of Mr A's visual impairment.

†HM Revenue & Customs requires Aqua to take off tax from this interest. Aqua must give Mr A a certificate showing how much tax it's taken off if he asks for one.

From what I've seen it appears as though Aqua sold the outstanding balance on this account to a third-party debt purchaser. So it either needs to buy the account back from the third party and make the necessary adjustments, pay an amount to the third party in order for it to make the necessary adjustments, or pay Mr A an amount to ensure that it fully complies with this direction.

My final decision

For the reasons explained, I'm upholding Mr A's complaint. NewDay Ltd should put things right in the way I've set out above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr A to accept or reject my decision before 11 June 2021.

Jeshen Narayanan
Ombudsman