

## **The complaint**

Mr M complains that NewDay Ltd trading as Aqua didn't tell him that the interest rate on his credit card account was increasing.

## **What happened**

Mr M says he was sent a letter in October 2019 telling him the interest rate on his Aqua credit card account would be increasing. He says he decided to reject the increase and spoke to Aqua in December 2019, but it told him he was outside the time limit for doing so and that it sent him a letter about this in September 2019. Mr M says he doesn't believe the September 2019 letter was ever sent and also complains about increases to his credit card limit. He would like the interest rate reversed.

Aqua says all credit limit increases were appropriately checked. It says it wrote to Mr M in September 2019 telling him he had 60 days to reject the interest rate increase and he rejected the increase outside of that time period. Aqua says it didn't send a further letter but included details of the interest rate increase on Mr M's October account statement.

Mr M brought his complaint to us and our investigator upheld the complaint in part. The investigator thought reasonable and proportionate checks were carried out on the credit limit increases. But thought it likely that if Mr M received the September 2019 letter about the interest rate rise then he would have rejected it in time as that is what he tried to do in December 2019. The investigator recommended the interest rate difference be refunded and Mr M be allowed the repay his debt on the original interest rate.

Mr M accepts that view but questions why Aqua couldn't have sent the letter by secure email.

Aqua disagrees and says it can't be responsible for Mr M not receiving the letter.

## **My provisional decision**

I issued a provisional decision on this case and said as follows.

I looked at Aqua's terms and conditions which I thought Mr M would have agreed to when the account was opened. Those terms and conditions made clear that Aqua can, by giving 60 days' notice make a change to the account interest rate. I said that I find that is what took place here, that on 27 September Aqua wrote to Mr M telling him that the interest rate would increase, and he had 60 days to reject that increase. I appreciated Mr M said he didn't receive that letter. But having looked at Aqua's records I was satisfied that letter was produced and I thought sent to Mr M at his address. I said I couldn't fairly hold Aqua responsible for the delivery of the mail and I didn't think Aqua made a mistake or acted outside of the account terms and conditions by making that change.

I appreciated Mr M says he became aware of the proposed interest change in October 2019. I couldn't see any reference to that letter on Aqua's records and Mr M has been unable to provide me with a copy of that letter. I thought on balance Mr M was sent one letter in

September 2019 and it may be the case that he is mistaken about the date of that letter. In any event I thought that Mr M still had a significant time period to speak to Aqua about the interest rate increase.

I looked carefully at Mr M's account statements which I could see were available for him to view online. I was satisfied the October 2019 statement made clear that the interest rate was changing, and that information was prominently displayed near to his account balance. I thought it reasonable to have expected Mr M to have noticed that information.

I appreciated that Mr M questions why Aqua couldn't send this sort of information by secure email. But I explained we are not Aqua's regulator and so it's not our role to tell it how it communicates with its customers however sensible such a view may appear to be.

Overall my provisional view was that Aqua sent Mr M notice of the interest rate increase by letter and also included that information on the October 2019 account statement. In those circumstances I couldn't fairly order Aqua to reduce the interest rate on Mr M's account. I said If Mr M can find the letter, he says he was sent in October 2019 I would of course consider that and hope that Aqua can provide me with a copy of the telephone call between it and Mr M in December 2019. I also hoped Aqua could confirm if it ever sends its customers a second letter or follow up letter as Mr M says happened here.

Aqua has accepted my provisional view but hasn't provided me with some of the information I hoped it would. It also says it will not consider as a gesture of goodwill to reduce the interest rate following my request for it to at least consider that.

Mr M has also replied to my provisional decision and has provided a very detailed response in which he doesn't accept my view. And also explains that he was suffering from health problems at the time. He has offered to provide further details of that, but I accept what he says and do not need to see that evidence.

### **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 same overall view that I did in my provisional decision and for the same reasons. I appreciate Mr M says he can't locate the letter in question but also says it may have been the October statement that told him about the interest change. In any event I think Mr M ought to have been aware that on 3 December 2019 the interest rate was changing and that he ought reasonably to have contacted Aqua before that date. I appreciate Mr M had health issues, but I don't think they would have prevented contact in time as Mr M did make contact with Aqua shortly afterwards.

### **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 M to accept or reject my decision before 21 July 2021.

David Singh  
**Ombudsman**