

The complaint

Miss L complains about NewDay Ltd (“NewDay”) for not advising her that she would incur additional interest when moving her payment date. She wants NewDay to apologise to her, refund the interest she incurred and pay her £25 compensation.

What happened

Miss L held a credit card which was operated by NewDay.

Her payment date for her credit card was 20th of the month.

On 14 November 2020, Miss L contacted NewDay using its live chat function. She asked if her payment date could be changed to the 7th of the month.

The agent advised her that the change would be made within 3 working days and would be in place for her next statement. The agent advised that her current payment due date (of 20 November) would not change.

Miss L made payments towards her balance before this date but left a balance of around £350 on her card by the 20th November.

Miss L’s statement was then produced around 12 December 2020. Interest of £36.99 had been added to her statement.

Miss L complained. She felt that it had not been made clear to her that she would incur interest by moving her payment date.

NewDay sent its final response letter to Miss L in January 2021. NewDay explained how interest had been calculated on her statement and said that it would not expect its agents to inform customers that a change to the payment date may mean more interest is incurred. It therefore did not uphold her complaint.

Miss L did not accept that and contacted us.

Our investigator has looked into this matter and did not uphold the complaint. She could see from the chat text that the adviser who Miss L spoke to on 14 November 2020 did advise her that the payment date for November would remain the same. The terms for the card and the details on the statement made clear how interest would be charged if a balance remained on the card after the payment date. She consequently thought that NewDay had given enough information.

Miss L did not accept that view and asked for an ombudsman decision. She made clear that she thinks it unfair that the text of live chats is not sent to consumers after the chat, even where they are entering into an agreement. She notes that this is the first time she has ever not paid off her balance in full if interest may be incurred.

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.

I understand Miss L's upset in this matter. She has explained that she is careful with her money and seeks to avoid unnecessary payments such as interest. Having reviewed the available statements I can see that she routinely settles her card in full so does not incur interest. I can therefore understand why this amount of interest is both a surprise to Miss L, and is frustrating for her when she takes such good care of her finances

I must, however, look at whether the business has done anything wrong. Only if the business has acted wrongly, can I direct that it takes action to put matters right.

In this case, NewDay has provided the transcript of the live chat and this does show that the agent advised Miss L that the payment date for November would stay the same, even though the payment date going forward would change. The statements make clear that interest is avoided if the balance is cleared in full by the payment date, and that after that interest is applied on a daily basis. Consequently, I cannot conclude that NewDay failed to advise Miss L that she risked incurring interest if she did not settle her balance in full by the payment date.

Miss L has indicated that she feels it is unfair that live chat conversations are not sent to consumers after a conversation. I appreciate this, but we are unable to dictate the processes that businesses use. If Miss L feels that the process of not sending transcripts to consumers has had an unfair effect on her she would need to raise this with NewDay and give them an opportunity to respond.

For these reasons, and for the reasons given by the investigator, I do not uphold Miss L's complaint. I appreciate that this will be disappointing for Miss L, but I hope that this makes clear why I have reached this decision.

My final decision

For the reasons given above, I do not uphold Miss L's complaint and do not ask NewDay Ltd to do anything further.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss L to accept or reject my decision before 7 January 2022.

Laura Garvin-Smith
Ombudsman