

The complaint

Mr H is unhappy with the fees and charges that NewDay Ltd, trading as Aquacard, have applied to his account, as well as with the service that he'd received from NewDay when attempting to discuss his account with them.

What happened

Mr H went over the agreed credit limit on his NewDay credit account on several occasions and incurred charges on his account as a result. Mr H also incurred late payment fees and unpaid direct debit fees on his account. Mr H wasn't happy with the amount of fees and charges that had been applied by NewDay to his NewDay account, or that NewDay wouldn't enter into a discussion with him about his account via email. Mr H was also unhappy that when he'd tried to contact NewDay by telephone that he hadn't been able to get through. So, he raised a complaint.

NewDay looked at Mr H's complaint. But they felt that the fees and charges had been applied to the account correctly, and they noted that they don't discuss accounts in detail via email because they have information security concerns about doing so. However, NewDay did acknowledge the difficulties that Mr H had had when trying to contact them by telephone, and so they apologised to Mr H for this and credited his account with £20 as compensation for the inconvenience he'd incurred.

Mr H wasn't satisfied with NewDay's response, so he referred his complaint to this service. One of our investigators looked at this complaint. But they also felt that NewDay had applied the charges to Mr H's account fairly and that it was reasonable for NewDay to not discuss accounts via email. Our investigator also felt that the £20 compensation that NewDay had already paid to Mr H for the difficulties he's had trying to contact NewDay by telephone already represented a fair resolution to that aspect of Mr H's complaint. So, they didn't uphold Mr H's complaint.

Mr H remained dissatisfied, so the matter was escalated to an ombudsman for a final 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.

I can appreciate how Mr H might be unhappy to have incurred fees and charges on his NewDay credit account. However, contractual charges on credit accounts for such occurrences as exceeding an agreed credit limit or for making monthly repayments late are a common feature of credit card accounts, and it must be noted that Mr H agreed to these charges, which are outlined in the credit agreement, when he applied for and accepted the account. Additionally, having reviewed Mr H's account I can't see any instance where NewDay have applied charges to his account incorrectly.

However, it would be expected that if Mr H had contacted NewDay and explained that he was struggling to manage his credit account that he would have received appropriate assistance from NewDay at that time.

NewDay appear to have provided such assistance here, and I say this because when Mr H did contact them to explain that a change in his personal circumstances meant that he was finding it difficult to make the payments due on his account, NewDay placed his account on a payment holiday to allow Mr H time to recover his financial position.

Mr H has also stated that he feels that the amount of each charge applied to his account is too high. However, while I can appreciate Mr H's position here, the single charge amount doesn't seem excessively high to me, and I can confirm that it's in-line with industry norms. And, it also must be noted again, that Mr H consented to NewDay's charging structure when he applied to NewDay for the account.

Mr H is also unhappy that NewDay wouldn't discuss his account in detail via email, and that when he tried to contact NewDay by telephone he couldn't get through despite being on hold for a considerable period of time.

Again, I can understand why Mr H might be disappointed by this. But NewDay have explained that they don't enter into such discussions via email because of information security concerns. This seems reasonable to me, and I wouldn't consider asking NewDay to act against their policy in this regard.

NewDay have acknowledged the difficulties that Mr H encountered when trying to contact them by telephone, and they've apologised to Mr H for this and made a payment to him of £20 compensation.

Mr H has stated that this payment doesn't go far enough to resolve his issues. But it must be remembered that this £20 compensation was only made in response to the specific issue of Mr H being unable to get through to NewDay when he tried to, and wasn't made in relation to any other point of complaint that Mr H has raised. And, when considered in that context, I do feel that the £20 that NewDay have already paid Mr H here does fairly compensate him for that aspect of his complaint.

All of which means that I find it difficult to conclude that NewDay have acted unfairly or unreasonably here, and it follows from this that I won't be upholding this complaint or instructing NewDay to take any further action at this time.

I realise that this won't be the outcome that Mr H wanted, but I hope that he'll understand, given all that I've explained, why I've made the final decision that I have.

My final decision

My final decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr H to accept or reject my decision before 11 February 2022.

Paul Cooper
Ombudsman