

## **The complaint**

Miss C complains NewDay Ltd sent her emails that incorrectly said she was over her credit limit. She's also unhappy with the interest charged on her account, and the level of customer service they've provided.

## **What happened**

Miss C has a credit card account with NewDay. She became unhappy when she started receiving emails from NewDay saying her account had gone over her credit limit. Miss C said these emails shouldn't have been sent as she was within her credit limit at the time.

Miss C was also unhappy with delays to her payments being added to her credit card account, and the interest and fees that were being applied. Miss C raised these concerns with NewDay on several occasions and asked for a manager to call her back to discuss her concerns.

Unfortunately, NewDay didn't always call Miss C back as she expected, and their first final response failed to address all her concerns. But after Miss C complained again, NewDay issued another final response.

NewDay's final response explained that interest would have taken Miss C's account balance over her credit limit, but no fees had been applied when that happened. They also explained it can take a full day for their app to update itself after a payment has been made and apologised for any confusion Miss C may have experienced when waiting to see her updated balance. NewDay also offered Miss C £25 in recognition of their failure to fully address her concerns in their first final response.

Miss C remained unhappy, so she asked us to investigate her complaint. Our Investigator considered what had happened and said this complaint should be partially upheld. Our Investigator was satisfied NewDay had provided Miss C with the correct information about the way her credit card account worked. She also said interest had been applied fairly to Miss C's account. However, our investigator said NewDay didn't treat Miss C fairly when they failed to call her back on multiple occasions. Given the period of time Miss C was trying to resolve things with NewDay, our Investigator felt an award of £100 was more appropriate in the circumstances.

NewDay accepted our Investigator's findings, but Miss C did not. Because of this, her complaint was passed to me to make 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.

Having reviewed all the information sent to us, I'm upholding Miss C's complaint. I will be explaining the reasons for my decision below.

Miss C has raised several complaint points with us. Because of this I'll comment on these points separately.

#### The emails Miss C received about her credit limit

Miss C says NewDay sent her emails saying she was over her credit limit. She's unhappy because she wasn't over her credit limit when she received the emails.

Having read the emails Miss C has complained about, I can understand why they caused her to be concerned. That's because, at the time she received those emails, the balance of her credit card was within the agreed credit limit. However, the emails Miss C received weren't saying she was over her credit limit at the time they were sent. The emails were letting Miss C know that her statements were due to be produced shortly; and it was likely the interest due to be applied to her account would increase her balance to an amount that was higher than her credit limit.

The purpose of these emails was to help Miss C decide if she wanted to make an extra payment before the interest is applied and prevent her being charged over credit limit fees and the options to do this.

The emails NewDay send would state the balance of Miss C's credit card account at the time of the email, and the amount she had left to spend. And her statements detailed the estimated interest that would be added to the following month's statement. When the current balance and estimated interest are added together, the total would exceed Miss C's credit limit. Because of this, NewDay were correct when they said Miss C would most likely go over her credit limit if she didn't make a payment before receiving her statement.

I do agree with Miss C that she wasn't over her credit limit when she received the emails complained about. But NewDay wasn't telling her that was the status of her account. I appreciate Miss C feels strongly about this, but I don't agree NewDay was sending her misleading information about her account.

I'm aware Miss C is still receiving these emails and would like them to stop. Ultimately, it's for NewDay to decide what information they want to share with their customers. Our Service doesn't have the power to change NewDay's commercial decision. Because of this, I can't ask NewDay to stop sending Miss C these emails if the status of her account causes their system to automatically send them.

Given what I've said above, I'm not upholding this part of Miss C's complaint.

#### Did NewDay apply interest to Miss C's account correctly?

Miss C has said NewDay has charged her too much interest.

It's not unusual for interest to be added to an outstanding balance on a credit card account. I've reviewed several of Miss C's NewDay credit card statements, and I haven't seen that she ever paid off her entire balance during the period of time she's complained about. And having reviewed the terms and conditions of Miss C's credit card account, I've seen that NewDay would add interest to any outstanding balance.

I've also listened to calls between Miss C and NewDay. It seems confusion may have arisen when Miss C made payments on the same day her statements were produced. However, I'm satisfied NewDay's advisers correctly explained that making payments on the day a statement was due to be produced wouldn't change the monthly payment she was expected to pay after the statement had been generated.

It's clear Miss C is very unhappy with the way NewDay applied interest and charges to her credit card account. But the information I've seen persuades me that NewDay handled her account in line with the relevant terms and conditions.

Given the above, I'm satisfied NewDay correctly calculated the interest applied to Miss C's account. That's why I won't be asking them to do anything further to resolve this complaint point.

#### The level of customer service provided by NewDay

The information I've been provided persuades me Miss C first complained in February 2021. This was after she experienced a delay in the mobile app updating her balance to reflect a payment she'd made. I'm aware Miss C believe she raised complaints before this date, but I've not seen evidence to persuade me that happened. So, I can't fairly say NewDay should have started investigating her concerns before February 2021.

I've listened to a recording of the February 2021 phone call between Miss C and NewDay. In this call NewDay told Miss C it can take a full day for the mobile app to update. I'm satisfied they explained this point clearly to help Miss C understand why her recent payment hadn't shown up immediately. It was clear Miss C disagreed with this point, but I have no reason to disbelieve NewDay when they say that's how their mobile app works. It's not uncommon for online or mobile banking to take a few hours – or a day to update. But I also don't consider that delay to be unreasonable. I've not seen anything to show Miss C experienced serious problems because of this delay, so I don't agree NewDay treated her unfairly.

Having listened to recordings of several calls Miss C made to NewDay, I'm satisfied she was given the correct information about how her credit card account works. However, I think NewDay's customer service was poor when they didn't call Miss C back on three occasions.

NewDay has said they can't always guarantee a call from a manager, and I don't consider that's unreasonable. But they should have explained this to Miss C when she asked for call backs. I don't think NewDay made it clear to Miss C that call backs couldn't be promised. That meant she was left more frustrated and confused. It wasn't fair for NewDay to make Miss C feel like that. That's why I consider NewDay needs to do something to resolve Miss C's complaint.

#### **Putting things right**

NewDay didn't provide Miss C with the level of customer service I would expect. This means they need to do something to put things right for her.

Miss C made it clear she was unhappy and confused with the information NewDay were sending her. She also made it clear when she wanted to speak to a manager. I don't think it's unreasonable that NewDay couldn't guarantee a call back each time Miss C asked for that to happen. But I do think NewDay should have done more to explain this to Miss C. NewDay's failure to explain things left Miss C more frustrated. It also meant she needed to make more calls to NewDay to try and resolve things.

Raising a complaint comes with some inconvenience that can't be avoided. But NewDay made mistakes that made the situation more difficult and time consuming for Miss C. I think an award of £100 fairly recognises the additional time Miss C spent trying to speak with managers at NewDay. So, I'm asking NewDay to pay this amount to resolve this complaint.

**My final decision**

My final decision is that I'm upholding Miss C's complaint about NewDay Ltd.

To put things right NewDay Ltd should pay Miss C £100. This award is to recognise the poor customer service she has received from NewDay Ltd.

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

Sarrah Turay  
**Ombudsman**