

The complaint

Mr B complains that NewDay Ltd trading as Aqua failed to administer his account resulting in additional charges being applied to the account which adversely affected his credit score.

What happened

Mr B explained that Aqua blocked his card after they became suspicious of transactions they believed were the result of an account takeover. Aqua had spoken to Mr B at the time of the suspicious transactions but weren't satisfied that the caller was genuine.

Mr B was then left with an account he couldn't access via Aqua's online portal. Over the next few months, Mr B was expecting Aqua to contact him about his account but didn't receive any updates about the investigation into the account takeover.

Aqua were advising Mr B to log in to their online portal to read messages and statements but he wasn't able to access it because Aqua had blocked it. Over the next few months, Mr B's account accrued interest and additional payment fees because insufficient payments were made towards the outstanding balance. Mr B complained to Aqua about the treatment he'd received.

Eventually, after about three months, Mr B's account was re-opened and Aqua agreed to credit Mr B's account with the additional payment fees and offered Mr B £50 to recognise the poor customer service he'd received.

Mr B remained unhappy with how Aqua had handled his issue and brought his complaint to the Financial Ombudsman Service for an independent review. It was looked into by one of our investigators who reviewed information supplied by both parties. Aqua wrote to our service recognising that they'd let Mr B down and increased their offer with an additional £100 and to remove the interest payments from the three months he was without access to his account. Aqua also agreed to update their credit reference agency reporting concerning the operation of Mr B's account.

Our investigator thought this was a reasonable offer to deal with Mr B's complaint and wrote to both parties with his opinion about the complaint and the offer. Mr B welcomed the increased offer but thought he was due additional refunds concerning charges and interest on his account. He also wanted additional compensation from Aqua.

Mr B's complaint has now been passed to me for a 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.

It's apparent here that Aqua's initial concerns were unfounded and Mr B's account was blocked out of an abundance of caution. I understand why they did this as one of their call handlers thought some of the answers to security questions given during a call were

incorrect. This led to the suspicion that the account had been subject to a take over by someone else. Aqua were only trying to protect Mr B's account from unauthorised use.

Mr B was then left wondering what was happening with his account and Aqua's lack of communication would, I'm sure, have been worrying for him. Aqua have admitted they didn't deal with the issue very well, and I'm in agreement with them. Aqua should have followed up their concerns with Mr B and confirmed it was him who had called in earlier (on the registered mobile phone for the account) and then unblocked his access to the account.

That didn't happen and Mr B accrued additional charges and interest during this period. I understand Mr B's point that he couldn't see what was happening on his account, but I'm unsure why he wasn't able to make some payments over the next few months, particularly as the account was carrying a debt prior to this problem occurring. But, Aqua agreed to remove the interest and charges from his account and pay him £150 for the poor service and update the credit reporting to reflect these changes.

Mr B wanted further compensation and I've thought about this. The issue continued for about three months and I'm not aware of any other direct financial impact this had on Mr B. He's argued that this caused him additional stress and worry. I don't doubt this at all, but I also think the offer of £150 is a reasonable one and I won't be asking Aqua to increase this. I also think it's appropriate for Aqua to update their financial reporting concerning the operation of Mr B's account.

Mr B believed some of the additional charges hadn't been taken into consideration by Aqua but having considered the various documents supplied by both Aqua and Mr B, I don't think that's the case.

Aqua credited Mr B's Account with three sets of late fees and offered to refund three months of interest payments, which I think is a reasonable way for Aqua to deal with this matter. I couldn't see any further charges which I think Aqua should refund.

Putting things right

In order to settle, Aqua should now refund (unless already done so) the three months charges (£114.31), pay Mr B £150 for the stress and inconvenience caused by their poor handling of the account and update their reporting to the credit reference agencies to accurately reflect the operation of Mr B's account.

My final decision

My final decision is that I uphold this complaint and instruct NewDay Ltd trading as Aqua to settle the complaint as outlined above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr B to accept or reject my decision before 14 October 2022.

David Perry
Ombudsman