

The complaint

Mr C complains that Newday Ltd (trading as Aqua) added multiple charges to his credit card account even though he'd made the required payments, and its customer service was very poor.

What happened

Mr C says that Aqua took a direct debit from his account after he'd made the requested payments. He says that, as a result, the direct debit was returned, and charges were applied to his credit card account. Mr C says he was given incorrect information and his emails were ignored, including those that explained he was vulnerable and did not understand what had happened. He adds that Aqua provided no customer care, no empathy, no complaints handling and no regard for him as a customer.

Aqua says the charges for exceeding the credit limit were correctly applied. It explains that although Mr C made a payment to bring the account within its limit, further transactions and interest increased the balance and another payment was not sufficient to bring the balance back within the credit limit. However, as a gesture of goodwill Aqua refunded the over-limit charges from 27 September 2021 and 25 October 2021. It adds that it attempted to contact Mr C on 9 and 15 October 2021.

Our adjudicator did not recommend the complaint should be upheld. He did not find there had been a clear and obvious banking error and was satisfied Aqua responded appropriately to Mr C's financial difficulties and communication attempts.

Mr C responded to say, in summary, that, apart from one phone call, which he initiated, Aqua did not contact him by email or phone. He's asked for proof of all the contact Aqua says it made or attempted.

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.

Account Charges

With regard to the charges that Mr C incurred on his account I have looked at all his credit card statements and considered them in the context of the terms and conditions of his account. I can see that he was charged £12 in each of May 2021 to December 2021

inclusive as he exceeded his credit limit in each of those months. I'm satisfied that the charges were correctly applied, but I can understand Mr C's frustration.

In each month, it is clear to me that Mr C was attempting to manage within his credit limit by limiting his spend so as not to exceed the limit. He paid a regular direct debit and an additional amount each month to bring the card within its limit. However, as Mr C had a balance on his account each month, he also incurred an interest charge which was taking him back over the limit, despite his careful calculations.

I can see Aqua explained the situation to Mr C in an email on 16 August 2021 and its final response letter of 28 October 2021, but I acknowledge Mr C says he didn't receive it. Nevertheless, Aqua has now refunded Mr C five of the eight over-limit charges as a goodwill gesture. Given that I haven't identified that Aqua made any mistakes I find that to be fair and reasonable in the circumstances.

Communication

Mr C told this service that he's a vulnerable customer as he has a condition which makes understanding financial transactions difficult. As I can't see he told Aqua this at the time, I can't conclude it should have responded differently to Mr C, but I'd encourage Mr C to discuss this with Aqua going forwards so it can make reasonable adjustments as required.

I have also considered Mr C's complaint that Aqua did not respond to his communications, despite many contact attempts. I have looked at the evidence provided by Aqua and found:

- In July 2021 Mr C sent an email querying his payments and told Aqua he would have difficulty paying that month as he had covid and couldn't leave the house. Aqua replied to say it had forwarded his query and sent a letter to tell Mr C his account was on hold for 30 days. Mr C emailed Aqua on 23 July to say he'd make the payment the next day, but when the account remained unpaid, Aqua attempted to call Mr C on 28 July. When it couldn't get through it sent Mr C a letter asking him to get in touch;
- On 12 August 2021 Mr C queried why there were further charges on his account despite his direct debit. Although Aqua responded on 16 August to explain, Mr C continued to query them and Aqua attempted to call him on 18 August. As it couldn't get through it again sent him a letter requesting contact. On 26 August Mr C queried the over-limit charges again and Aqua responded to say it had forwarded his query.
- Mr C raised a complaint in early October and Aqua tried to call him on the 9 and 15 October with follow-up letters requesting contact when it couldn't get through. Mr C continued to query the charges and sent a follow-up to his complaint on 22 October. When Aqua issued its final response on 28 October, Mr C responded to say he was unhappy with the response and, following a further response from Mr C, on 15 December Aqua advised its complaints process had been exhausted.

I acknowledge Mr C says he didn't receive correspondence from Aqua, but I have seen evidence that shows the above communications. I have asked Aqua if this service can share the evidence with Mr C, but it declined as it said that its internal data is commercially

sensitive. Aqua has said that Mr C is, however, welcome to submit a Data Subject Access Request to complaints@newday.co.uk.

Based on the above, I'm satisfied that Aqua responded appropriately to Mr C's queries.

In summary, I find the charges were correctly applied and Aqua has acted fairly and reasonably with its refunds and ongoing communication.

My final decision

My decision is that I do not uphold Mr C's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr C to accept or reject my decision before 28 November 2022.

Amanda Williams
Ombudsman