

The complaint

Mr L says NewDay Ltd, trading as Fluid, did not make clear the details of its balance transfer offer.

What happened

Mr L opened a credit card with NewDay on 27 August 2022. On 7 September 2022 he tried to transfer in a balance from another provider to take advantage of the 0% interest for 9 months promotion. On 9 September 2022, after discovering he could not transfer in his balance, he used the money transfer facility to clear the other balance. He says NewDay misrepresented the balance transfer as whilst there were specific card issuer exclusions his provider was not listed. And as he had a recent search on his credit file he could not apply for another card in the short term so he had to use the more expensive money transfer as a workaround. So he feels NewDay must offer the balance transfer terms on his money transfer balance.

NewDay disagreed, saying the offer details made it clear that all balance transfers are subject to its approval. When Mr L discovered he couldn't complete a balance transfer it was his decision to go ahead with the money transfer so NewDay was not at fault. But it refunded Mr L's money transfer fee and first month of interest as a gesture of goodwill (£25.54).

Our investigator did not uphold Mr L's complaint. He said NewDay had made no error by not accepting the balance from the other provider, nor in charging interest on the money transfer at the rate of 49.94%. The terms of the offer made clear all balance transfers were subject to the NewDay's approval.

Mr L disagreed with this assessment and asked for an ombudsman's review. He said NewDay had misrepresented its balance transfer offer and as he then had a hard search on his credit file it would have been impossible to apply for another card, with a similar balance transfer offer, quickly enough. So the money transfer was the only option open to him. He remains of the view it would not be unreasonable for NewDay to offer the balance transfer terms on his money transfer debt, as his card provider was not on the exclusions list.

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 done so I am not upholding Mr L's complaint. I will explain why.

The balance transfer promotion makes clear all balance transfers are subject to NewDay's approval. And whilst I understand Mr L's frustration that the promotion did not list his card provider as excluded, I would not expect this to override the key provision NewDay set out – that it has the right to approve all balance transfer requests. And the headline on the promotion states '*from the majority of UK credit cards*'. Mr L recently shared the initial advice he was given by the regulator. But I am satisfied that NewDay's promotion meets the relevant guidelines as it in no way leads applicants to believe a balance transfer is

guaranteed, or without the need to be approved by the lender.

Mr L then opted to complete a money transfer to allow him to settle the balance on his other card – but this was wholly his decision and I can see no reason why NewDay should not apply the relevant interest and charges as set out in the credit agreement Mr L had signed electronically. He has inferred he had no choice as he had recently opened this account – but I have seen no evidence he explored other cheaper borrowing options that he was unable to secure. A single recent search would not typically be a reason to decline a credit card or loan application. When Mr L discovered he could not transfer in his balance, he could have exercised his 14-day right to withdraw from the agreement. Rather he opted to use the money transfer facility.

I note NewDay refunded Mr L's money transfer fee and the first month's interest as a gesture of goodwill. Given the findings I have set out above I am not instructing it to take any further action.

My final decision

I am not upholding Mr L's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr L to accept or reject my decision before 2 March 2023.

Rebecca Connelley
Ombudsman