

## **The complaint**

Miss H complains that NewDay Ltd misinformed her that her credit card was interest free when it was not.

## **What happened**

Miss H opened a credit card account with NewDay in May 2022. She said she called NewDay to confirm it was interest free as that's what she'd seen advertised. She said two employees confirmed that her card was interest free. But in October 2022 she found out she'd been charged interest. She spoke to NewDay in October and November 2022 and was told how the interest was calculated on her account. Miss H wasn't happy so she complained.

NewDay said the adviser Miss H had spoken to in October 2022 had said she'd been charged interest because she'd made a late payment. But this was incorrect as she'd been charged interest because she'd not paid the complete balance on her statement. It apologised for this misinformation and paid Miss H £80 for the trouble and upset it had caused. It also noted that it had already refunded about £90 in interest payments, fees, and given Miss H a goodwill credit of £5 in November and December 2022. Miss H didn't think this resolved her complaint so approached this service.

Our investigator didn't think NewDay needed to do anything more. She noted that the terms and conditions of Miss H's account and the account statements she received said that interest was chargeable but would only be applied if the balance wasn't paid in full. Miss H was adamant she'd been told the account was interest free but our investigator said NewDay didn't have any records of any calls being made by Miss H before October 2022.

Miss H didn't agree with our investigator's view, so her complaint has been referred to me 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.

Miss H says she was told by two members of NewDay's staff that her credit card account was interest free. NewDay says it has no record of any calls from Miss H before October 2022 and it's provided evidence to show the searches it's done to verify that. Miss H provided some screenshots of messages she had with her partner and NewDay which show that she contacted NewDay. But those screenshots all refer to contact she had with NewDay after October 2022 and don't provide any evidence that she was told her card was interest free. So, while I recognise Miss H's strength of feeling on this issue, without any evidence to support what she's said, I don't think it would be fair to say NewDay misinformed her.

I'm also mindful that the terms and conditions of Miss H's agreement with NewDay sets out the interest rates it charges and explains how it works out the interest that's payable. The statements NewDay sent to Miss H also included information about the interest rates it was

charging. I don't think that information is contradictory or misleading and as an account holder, I think it's fair for NewDay to expect Miss H to read and understand the terms of the agreement she had with it.

NewDay has accepted it made a mistake when Miss H called in October 2022. The NewDay adviser said she'd been charged interest because she'd made a late payment. But this was wrong as she'd been charged interest because she hadn't paid her balance in full. NewDay has apologised for that mistake and paid Miss H £80 in compensation for the impact that had on her. It also refunded a total of about £90 in interest payments and fees and given her a goodwill credit of £5. Taken together, I think that's a fair and reasonable way for NewDay to put things right after giving her the wrong information in October 2022.

In summary, while I recognise Miss H is adamant she was told by NewDay her credit card was interest free, I haven't seen any evidence to support that. And I don't think it would be fair to say NewDay told her that based on the evidence I have seen. All the other information NewDay gave Miss H makes no mention of her account being interest free, and instead clearly sets out the interest it does charge. NewDay did make a mistake when Miss H called in October 2002 but I'm satisfied it's done enough to put that matter right. It follows that I don't think NewDay needs to do anything more.

### **My final decision**

NewDay has already paid Miss H £80 in compensation and refunded a total of about £90 in interest and fees, plus a goodwill credit of £5. I think that provides a reasonable outcome to Miss H's complaint and so I don't think it needs to do anything more.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss H to accept or reject my decision before 27 September 2023.

Richard Walker  
**Ombudsman**