

## **The complaint**

Miss B complains that NewDay Ltd trading as Aqua incorrectly applied interest to her credit card account.

## **What happened**

The details of this complaint are well known to both parties, so I won't repeat them again here in detail. But in summary:

- Miss B had a credit card account with NewDay. She repaid the outstanding balance in full in February 2023 and asked for the account to be closed.
- Miss B was later alerted by NewDay that £0.81 interest had been applied to her account. Miss B didn't think the interest was due as she had been led to believe her account had been closed and prior to this she had been on a repayment plan.
- NewDay refunded the interest and offered Miss B £25 compensation. But, in responding to the complaint, it reactivated an old complaint from November 2022 that had been settled.
- Miss B complained to our service as she was concerned about the potential consequences of what might have happened had she not contacted NewDay about the interest charge. And she was unhappy that NewDay hadn't set up a new complaint.
- Our investigator didn't uphold the complaint. He thought NewDay had responded to the complaint fairly by refunding the interest and offering £25 compensation for the inconvenience caused.
- Miss B didn't accept this outcome, so the complaint has been passed to me to decide.

## **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've reached the same conclusion to that of our investigator for the same reasons. I appreciate that Miss B feels strongly about her complaint and will be disappointed, so I'll explain why.

It's not in dispute that Miss B cleared her outstanding credit card balance in full in February 2023. NewDay has said that when the balance was repaid in full any previously agreed repayment plans ended. And based on how interest is charged a residual interest charge was due. I don't need to make a finding on whether NewDay's statement is accurate or not as I've seen – from Miss B's account statements, that NewDay automatically refunded the interest charge the same day it was applied without intervention from Miss B.

However, I accept that New Day sent an alert to Miss B. And concerned about the consequences of not repaying the interest charge she made a payment and contacted NewDay. NewDay refunded Miss B with the interest charge and, in doing so, it put Miss B

back in the position she would have been had she not made the payment. This is what I would expect NewDay to do.

I acknowledge Miss B's point that her account had not been closed when she was told it had been. And had she not been vigilant and contacted NewDay when she realised that interest had been added to her account, there may have been further impact. But NewDay did alert Miss B of the interest charge and in contacting NewDay the matter was resolved. So, I'm satisfied there weren't any further consequences. And I can't award compensation for something that didn't happen.

But I agree this matter did cause Miss B some worry and inconvenience. NewDay has offered £25 in recognition of this. And overall, I think this fairly represents the inconvenience Miss B was caused when she had to contact NewDay to resolve this matter as it was resolved in a reasonable timeframe.

I acknowledge Miss B's comments that NewDay reactivated an old complaint rather than setting up a new complaint to address her concerns. But ultimately, I don't find Miss B has been disadvantaged because of how NewDay responded to the new points she has raised. And Miss B wasn't prevented from referring her complaint to this service.

Overall, I find that in refunding the £0.81 interest and offering Miss B £25 compensation NewDay has dealt with Miss B's complaint fairly when considering everything that happened. So, I won't be asking NewDay to take any further action in respect of this complaint.

Miss B has told our investigator that she doesn't accept NewDay's compensation offer. But if – on reflection, Miss B now wishes to accept the £25, she will need to contact NewDay directly.

### **My final decision**

For the above reasons, I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss B to accept or reject my decision before 31 October 2023.

Sandra Greene  
**Ombudsman**