

The complaint

Mr B complains that NewDay Ltd, trading as BIP (who I'll call NewDay), shouldn't have allowed him to exceed the credit limit on his credit card.

What happened

The details of this complaint are well known to both parties, so I won't repeat them again here. Instead, I'll focus on giving my reasons for my 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.

I know it will disappoint Mr B, but I agree with the investigator's view of this complaint. Please let me explain why.

Where the information I've got is incomplete, unclear, or contradictory, as some of it is here I have to base my decision on the balance of probabilities.

I've read and considered the whole file, but I'll concentrate my comments on what I think is relevant. If I don't comment on any specific point it's not because I've failed to take it on board and think about it but because I don't think I need to comment on it in order to reach what I think is the right outcome.

I don't think it would be fair to blame NewDay for the account being so overdrawn. In December 2022 they attempted to take a direct debit of £447.08. In the meantime, Mr B made purchases on his credit card as the funds were then available. But the December 2022 payment was returned as there were insufficient funds in Mr B's bank account. The same thing happened again in January 2023 and that resulted in Mr B's balance increasing to over £1,400. It is Mr B's responsibility to ensure that funds are available, and I'm not persuaded that NewDay have done anything wrong as they wouldn't have known the direct debit payments would fail.

My final decision

For the reasons I've given above, I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr B to accept or reject my decision before 12 February 2024.

Phillip McMahon
Ombudsman