

## **The complaint**

Mrs B has a credit card provided by NewDay ("NewDay"), trading as John Lewis Partnership Card. She is complaining about the 15 day interest free period that New Day provides for payment of sums due before interest is charged. She says this is unreasonably short.

## **What happened**

In October 2022 Mrs B entered into an agreement with NewDay to have access to credit by way of a credit card account. This happened when NewDay took over responsibility for operating the John Lewis Partnership Card.

Mrs B is unhappy that she has only 15 days from the date of issue of each monthly statement in which to make a payment to her account. She says this doesn't give her enough time to pay the card. She also says the previous provider of her John Lewis card allowed her more time to pay.

NewDay didn't uphold Mrs B's complaint. It did refund some interest that had been incurred on the account in September 2023.

Our investigator didn't recommend upholding the complaint. He said NewDay issued its monthly statements in accordance with the account terms and conditions that formed part of the credit agreement and so he didn't think it had done anything wrong. He pointed out that it's possible for Mrs B to arrange to change the payment date if she wishes to.

As Mrs B doesn't agree her complaint has been passed 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.

NewDay will be familiar with all the rules, regulations and good industry practice we consider when looking at a complaint concerning unaffordable and irresponsible lending. So, I don't consider it necessary to set all of this out in this decision. Information about our approach to these complaints is set out on our website.

NewDay says that it arranged with John Lewis that the period between a monthly card statement being produced and payment being due would be set at 15 days. It also says that it's open to a customer to set or change the payment due date provided that the account isn't in arrears or a payment arrangement in place.

When Mrs B's John Lewis card changed to NewDay as its new provider, she was sent a credit card agreement setting out the new terms and conditions for using the credit card, which she then signed. Page 2 of the agreement sets out that a customer is required to make the contractual minimum payment by the payment date shown on each monthly statement and that this date will be about 15 days from the statement date. So I think

NewDay took reasonable steps to ensure that Mrs B was aware of this aspect of its payment terms.

I realise this is an issue of concern for Mrs B, and that she feels she has lost out because of this part of the new terms and conditions. But it remains open to her to contact NewDay to arrange for her payment date to be changed. If she does that, the same 15 day period between the statement date and payment due date will still apply. Also – although this would be as a last resort – it remains open to her to close the account. But this will require her to pay off any balance still owing within the time specified under the agreement terms, which is 30 days.

I know that Mrs B has opted to receive her monthly statements by post. I can see that this means that postal delays could leave her with less time in which to pay the account. One way to avoid the inconvenience would be to set up a direct debit arrangement to make the minimum payment requested each month.

It follows that, having looked carefully at everything I've seen about this complaint, I don't think NewDay has acted unfairly in setting the new requirement for payment within 15 days, if incurring interest and other fees is to be avoided.

I'm sorry to have to disappoint Mrs B on this occasion but I don't consider that NewDay has acted unfairly.

It remains open to Mrs B to contact NewDay to see if she can re-arrange her payment date and, if convenient, arrange to pay the minimum payment each month by direct debit.

### **My final decision**

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

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

Michael Goldberg

**Ombudsman**