

The complaint

Mr B complains that NewDay Ltd would not accept a credit card balance transfer from another provider. He says that it was not made clear that a transfer would not be possible, as a result of which he remains paying a high rate of interest.

What happened

Mr B has a credit card with a different provider, which I'll call "P". At the relevant time, his account balance was around £1,500, and P's annual interest rate was more than 30%.

Mr B applied for a Fluid credit card, with the specific intention of taking advantage of its balance transfer offer and reducing the amount of interest he was paying. His application was accepted, but Fluid would not accept the balance transfer from P. It said that it was one of a relatively small number of credit card providers from which it could not accept balance transfers. This was because of the way those credit cards were set up; they were not directly linked to a credit reference agency.

Mr B complained to Fluid and then to this service. He thought that it could have made the position clearer. Had it done so, he might have been able to apply to a different provider. And, because he had made an application to Fluid, which was reflected on his credit file, it was more difficult to apply elsewhere.

Fluid acknowledged that it had not handled Mr B's queries as well as it could have done and paid him £35 to reflect that. It also closed his account and arranged for records of his credit card application to be removed – which it said could take up to 90 days. But it did not believe it had been wrong to decline the application for a balance transfer or that it should have done more to make it clear that it would not accept balance transfers from P.

Our investigator's initial assessment was that, whilst Mr B had received poor service, Fluid had done enough to resolve matters and that the compensation it had paid was fair in the circumstances. Mr B did not accept that assessment and asked that an ombudsman review the case.

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.

As part of its response to Mr B's complaint, Fluid provided copies of the terms on which it accepts balance transfers and of the promotional material it publishes in connection with them.

The promotional material says that customers can transfer balances from the majority of UK credit cards. It also lists a small number of providers and types of card from which transfers cannot be made – including pre-paid and business cards. P is not included on that list.

The balance transfer terms also say that transfers can be made from the majority of UK credit cards, but expressly exclude those issued by NewDay. They say too that all transfers are subject to approval.

I do not believe that Fluid was therefore obliged to accept Mr B's application for a balance transfer. It did not guarantee that it would do so.

I understand why Mr B feels that Fluid could have made it clear before he made his application that P was one of a small number of credit card providers from which it could not accept balance transfers. It had a list of those providers, but not all the businesses on that list appeared in its promotional material. I do not believe however that I can properly say that Fluid should include all excluded providers in that material, and it may not be practical to do so. I think it was sufficient that it said that it could accept transfers from most UK providers; that made it clear that a successful balance transfer was not guaranteed.

I note too that Mr B says he was prevented from making an application for a balance transfer to a different provider. However, in view of the reasons given by Fluid for not accepting a transfer from P (which related to the way in which P's accounts are set up), it seems entirely possible that he might face similar issues with other providers in any event.

Finally, I note that Fluid has closed Mr B's account and taken steps to have credit information removed from his records. That seems to me to be reasonable in the circumstances.

My final decision

For these reasons, my final decision is that NewDay Ltd has done enough to resolve Mr B's complaint, and I do not require it to do any more.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr B to accept or reject my decision before 6 May 2024.

Mike Ingram

Ombudsman