

The complaint

Mr E complains that NewDay Ltd trading as Aqua is asking him for more money than he owes.

What happened

Mr E had a credit card with Aqua. On 12 March 2019, he entered into an arrangement through a debt charity to repay the balance. At the time, Mr E says the debt charity was told the balance of the account was £3,850 and he's paid £60.15 each month since. When he raised his complaint, he believed the balance should have been £662.05, but Aqua was asking for £1,079.29.

Aqua looked into his complaint and said the balance recorded by the debt charity was incorrect. Rather than £3,850, it was actually £4,267.88 and that accounts for the difference. But it acknowledged he'd had a *"poor customer journey"* and credited his account with £40 compensation for that.

Mr E was unhappy with Aqua's response so he referred his complaint to our service. One of our investigators looked into it and agreed with Aqua's response.

Mr E didn't accept what our investigator said, so as there was no agreement, the 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.

Mr E told our investigator he disagreed because his credit limit was only £3,800, so he didn't understand how the balance could have reached the figure of £4,267.88 now quoted.

I've seen copies of Mr E's statements for the account for the period up to and including his agreement with the debt charity. I can see that the statement dated 7 March 2019, showed his credit limit was £3,850 and his *"new balance"* was £4,267.88. It seems likely to me that the figure recorded at the debt charity (whether provided by Aqua or the charity) was in fact the credit limit as opposed to the amount outstanding on the account.

I've looked at how the balance got to such a level given it is over £400 in excess of the credit limit and include that detail below.

Statement date	Opening balance	Spending	Charges and interest	Repayments	Closing (new) balance
7 Jan 2019	£3,567.66	£316.25	£165.79	£40	£3,969.70
7 Feb 2019	£3,969.70	£0	£154.29	£0	£4,122.99
7 Mar 2019	£4,267.88	£0	£144.89	£0	£4,267.88

So I can see that Mr E's account was within the limit at the start of 2019, but due to new spending, charges and interest and a lack of repayments, the balance grew to the figure quoted by Aqua. Our investigator sent Mr E copies of these statements in April 2024 and he's acknowledged their receipt. We've had no further comment from him about them.

I understand Mr E's disappointment that after reaching agreement on a repayment plan and sticking to it, he thought the balance would be lower than it is. However, I've seen nothing to suggest that Aqua has wrongly calculated the balance or failed to apply any payments he's made since then.

There was clearly a misunderstanding between Aqua and the debt charity about the amount owing which has created the problem here. Aqua has acknowledged that, and paid Mr E £40 for the problems this has caused him. I think that is broadly in line with awards made by our service in these circumstances and I think it's a fair way to resolve the complaint. I'm sorry to disappoint Mr E, but I don't think it would be fair or reasonable for me to ask Aqua to do anything more to resolve his complaint.

My final decision

My final decision is that I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr E to accept or reject my decision before 16 September 2024.

Richard Hale
Ombudsman