

The complaint

Mr L complains that NewDay Ltd trading as Aqua charged him a £12 over limit fee. He's also unhappy about the difficulties he experienced when he tried to get in touch with Aqua due to security issues.

What happened

Mr L holds an Aqua credit card with a credit limit of £450. He used the card to make a purchase, but this took him over the credit limit, and he was charged an over limit fee of £12.

Mr L complained to NewDay. He said he felt they had been at fault for allowing him to make the transaction which took the account over limit. He was also unhappy that his credit file had been impacted.

NewDay didn't uphold the complaint. It said it hadn't found any error with the administration of the account. It noted that the £12 over limit fee had already been refunded as a gesture of goodwill. It said that when the card was used, some companies contact them to approve the purchase before it is made and, in these instances, if the purchase would result in the credit limit being exceeded, it could decline the transaction. NewDay explained that not all companies check with them first, so in this case it didn't have the opportunity to do this. NewDay said it appreciated that Mr L was unhappy with how the account going over limit had affected his credit file but said it had an obligation to report factually correct information on his credit file to be viewed by other lenders.

Mr L remained unhappy and complained to this service.

Our investigator didn't uphold the complaint. They said that Mr L's account had gone over limit and that it was his responsibility to ensure that he's aware of the balance on the account and what he has available to spend. The investigator said that NewDay has a duty to report accurately to the credit reference agencies and said it hadn't acted unfairly by reporting the over limit.

Mr L didn't agree. He remained unhappy that the over limit balance had been reported to the credit reference agencies and he was unhappy about the 16-digit card number that he was required to input to pass the security process in order to speak to NewDay.

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 L doesn't dispute that he exceeded his credit limit. He's explained the circumstances in which he used the Aqua card to make his purchase and I understand that he wasn't initially planning to use the Aqua card but unfortunately his bank card didn't work.

Mr L has said that he thinks that Aqua should've declined the transaction so that he wasn't able to exceed his credit limit. Aqua has explained that whilst it is able to decline

transactions in instances where the company contacts them to approve the transaction, this doesn't happen in all cases, and it didn't happen in Mr L's case.

Even though there are instances where Aqua can decline a transaction, ultimately it's still Mr L's responsibility to manage his account and make sure he's aware of the balance so that he doesn't exceed the credit limit. So I'm not persuaded that Aqua has made an error or done anything wrong in relation to the transaction.

I can see that Aqua has refunded the over limit fee of £12 as a gesture of goodwill. There's no requirement for Aqua to have done this and I think it has acted fairly and reasonably in this regard.

I understand that Mr L is disappointed that his over limit balance was reported to the credit reference agencies. All providers of credit are under an obligation to report accurate information about accounts to the credit reference agencies. Mr L's account was over limit and Aqua reported the balance. I can't say that Aqua has made an error or did anything wrong by reporting the balance.

Mr L has told this service that he found it difficult to get in touch with Aqua because of the security processes. This service can't ask a business to change its processes. But I can look at whether Aqua treated Mr L fairly and reasonably. Aqua has told this service that its security process is to send a passcode to the customer either by text or by email. Aqua doesn't have a mobile number for Mr L so it could only send the code by email. Mr L didn't have access to his emails at the time. I understand that Mr L also experienced some difficulties entering the 12-digit pin when he called Aqua because he had two different cards. Aqua has confirmed that the card number ending 8962 is the correct number to use.

Based on everything I've seen, I'm unable to say that NewDay has made an error or treated Mr L unfairly. I won't be asking it to do anything further.

My final decision

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

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr L to accept or reject my decision before 18 July 2024.

Emma Davy
Ombudsman