

The complaint

Mrs H complains about NewDay Ltd, trading as Aqua, not providing her with adequate support after her credit card account fell into arrears.

What happened

Mrs H was charged late/missed payment and overlimit fees at £12 a time throughout 2023. She contacted NewDay to explain she was in financial difficulty but was unhappy when, she said, it agreed to only refund three charges, leaving nine outstanding.

NewDay replied that it had acted appropriately and that the fees had been applied in line with the terms and conditions of the account. It said it wasn't able to refund any further charges.

Unhappy with NewDay's response, Mrs H brought a complaint to this service. Our investigator looked into the complaint but, ultimately, didn't recommend that it should be upheld. They found that NewDay had encouraged Mrs H to discuss her situation with it. When she did, in October 2023, NewDay responded fairly.

As Mrs H didn't agree with the investigator's findings, the complaint was passed to me to review afresh.

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.

Having done so, I don't uphold this complaint. I'll explain why.

Fundamentally, Mrs H entered into an agreement to pay NewDay back for the credit it extended to her. This meant her paying an agreed amount on an agreed date each month for the term of the agreement. This was all set out in the relevant credit agreement. It's not in dispute that Mrs H didn't comply with the agreement.

As Mrs H says, throughout 2023, she incurred charges, for either late or missed payments or for going over the credit limit. On reviewing the credit agreement, I'm satisfied NewDay was entitled to apply these charges to her account. It wasn't obliged to refund any of these charges but nevertheless did so as gesture of goodwill on learning of Mrs H's financial difficulties.

The support NewDay was able to provide Mrs H was limited given she didn't contact it about her issues until October 2023 – and since the account was never in more than two consecutive months' arrears. This meant any attempt to report the account as being in default was likely to be seen as premature. Some responsibility lay with Mrs H in, for example, refusing to approach a debt charity I see NewDay had referred her to, instead choosing to deal with NewDay direct.

When NewDay learned Mrs H was subject to the Debt Respite Scheme, I believe it responded reasonably and granted successive payment holidays to allow Mrs H the breathing space she needed.

Taking everything into account, I'm satisfied NewDay's treated Mrs H fairly in the circumstances.

My final decision

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

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs H to accept or reject my decision before 15 August 2024.

Nimish Patel
Ombudsman