

The complaint

Mr S complains that NewDay Ltd trading as Aqua applied an incorrect amount of interest following an adjustment to his account. He says he received poor customer service when trying to resolve this issue and NewDay didn't raise his complaint and instead added his concerns to a previously closed complaint.

What happened

Mr S raised an initial complaint with NewDay about interest being applied to his account in between the payment holidays and the service he was provided with. NewDay issued a final response letter about this complaint dated 21 August 2023. It upheld the complaint and paid Mr S £30 for the trouble caused by not providing the customer service it should have. It also refunded £103.70 of interest to his account and removed a marker from his credit file as a gesture of goodwill. Mr S was happy with this resolution.

However, Mr S then wanted to raise a further complaint. He says that in September 2023, interest was applied to his account based on the full limit of £2,800 rather than the balance which had been reduced by the payments he had received in response to his August complaint. He contacted NewDay about this but says he received different and inconsistent answers. He asked for a second complaint to be raised and was told this had happened but when he chased a response, he was told the case had been closed with reference being made to his previous complaint. Mr S had further contact with NewDay about raising his second complaint and says he didn't receive call backs when he should have, and his case kept being dismissed as being closed. Mr S raised a DSAR and says this wasn't responded to within the required timescales and when he did receive the response it was clear that the second complaint had never been raised and instead his correspondence had been added to his previous complaint.

Mr S believes he has been overpaying interest on his account since 2023 and wants this refunded along with compensation for the stress he has suffered and time he has spent trying to get his second complaint investigated.

NewDay said that Mr S began to incur interest on his account when his payment holiday ended in September 2023. It noted that the Bank of England base rate had increased in June 2023 and this was set out in Mr S's statement. It said it had no reason to believe Mr S had been charged interest incorrectly.

Regarding Mr S raising a second complaint it said that once a final response has been issued if the customer comes back due to not being satisfied with the outcome and provides further points linked to the complaint then a new complaint wouldn't be raised. Instead the original complaint is reopened and the additional complaint dealt with as needed. It says this happened in Mr S's case.

Our investigator didn't uphold this complaint. He said that there was nothing to suggest that the September 2023 interest had been applied on the account limit rather than the account balance of the previous month. He noted Mr S's comment about a second complaint not being raised but said he could understand why NewDay thought the issue related to a

previous complaint. While accepting Mr S wasn't happy with how his complaint had been handled, he said that he had referral rights to this service and so he didn't think additional compensation was required.

Mr S didn't agree with our investigator's view. He said he was escalating the second complaint he raised with NewDay which he had spent lots of time chasing but that was never investigated, breaching NewDay's own complaint process. He said no comment had been made about the amount of times NewDay failed to follow up on calls or the time spent on calls and live chats. He also said the delay in NewDay's response to his DSAR hadn't been addressed.

Our investigator noted the delay in the DSAR response but said he didn't think this meant further compensation was required. He noted the time Mr S had spent chasing NewDay and said he could have referred this complaint to this service sooner.

Mr S still didn't accept our investigator's view and so this complaint has been passed to me, an ombudsman, to issue a decision.

My provisional conclusions.

I issued a provisional decision on this complaint, the content of which is set out below.

Mr S's complaint covers his concern that interest hasn't been applied correctly to his account, noting the balance following the refunds. And the service he received when trying to raise his concerns about the interest on his account and requesting a second complaint be set up.

Interest applied since September 2023.

I note Mr S's concerns about the interest rate charged in September 2023 but having looked at his statements I can see that his outstanding balance was reduced by the interest refund (applied with a date of 15 March 2023) and the gesture of goodwill applied on 21 August 2023. This gave Mr S an outstanding balance on his August statement of £2,539.99. Mr S's payment holiday finished and interest was charged from September 2023. His statement shows the correct outstanding balance and interest charged on this. Therefore, I do not find I can say that interest was incorrectly applied to Mr S's account in September 2023 or the following months. Therefore, I do not uphold this part of Mr S's complaint.

Service when raising concerns about interest applied to account

Mr S was concerned about the interest charged on his account and raised this with NewDay in September 2023. I can see the issue raised is similar to that covered in Mr S's previous complaint for which a final response had been issued. I also note NewDay's comment about issues raised in relation to an already issued final response. But in this case Mr S was raising concerns about the interest charged on his account after the final response had been issued and he was told that a second complaint would be raised. I think it would have been fair for this to have happened and for Mr S's concerns to have been investigated and a clear response given. Instead, Mr S had to chase several times and was told his case had been closed. I do not find this was the service Mr S should have been provided with and I can see this caused him some inconvenience and upset.

Mr S has said that due to his concerns not being addressed he raised a DSAR and that he didn't receive the response within the one-month timeframe. Our investigator has explained that the Information Commissioner's Office (ICO) regulates compliance to data protection laws, but our service can consider the impact that issue has had on a consumer. In this case

while I note Mr S's comments, I do not find the delay in receiving this information caused any material disadvantage. Mr S had been previously provided with referral rights to this service and his complaint has been able to be considered.

Taking everything into account, I do not find that Mr S was provided with the service he should have been, and I think NewDay should pay him £50 because of this. This compensation takes into account that I find nothing to suggest that the interest hasn't been applied correctly to his account.

Both parties accepted my provisional 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.

As both parties accepted my provisional decision, my conclusions haven't changed. As I previously set out, based on the evidence I have seen I do not find I can say that interest was applied incorrectly to Mr S's account. However, for the reasons I set out in my provisional decision, I do not think that Mr S was provided with the service he should have been when he raised his concerns and because of this I find that NewDay should pay him £50 compensation.

Putting things right

NewDay Ltd trading as Aqua should pay Mr S £50 compensation for not providing him with the service it should have.

My final decision

My final decision is that NewDay Ltd trading as Aqua should take the action set out above in resolution of this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr S to accept or reject my decision before 19 August 2024.

Jane Archer
Ombudsman