

## **The complaint**

Mr F complains that NewDay Ltd trading as Pulse sold his debt to a third party whilst he was in a payment plan.

## **What happened**

Mr F held a Pulse Mastercard (formerly Amazon Classic Mastercard) with NewDay.

In November 2021 Mr F contacted NewDay and told them he was in financial difficulties, NewDay agreed a payment holiday until February 2022. NewDay agreed a further payment holiday in August until October 2022.

In October 2022 Mr F advised NewDay that he had no employment. NewDay went through Mr F's income and expenditure information with him and agreed a payment plan of £1 per month for 3 months. NewDay sent Mr F a letter confirming the plan and explaining the impact that the payment plan would impact his credit file.

In November 2022 sent Mr F a regulatory notice and in December 2022 it terminated the account. In March 2023 NewDay sent Mr F notice of its intention to register a default. NewDay subsequently sold the debt to Link Financial.

Mr F complained to NewDay. He was unhappy that the debt had been sold whilst he was in a payment plan.

NewDay didn't uphold the complaint. In its final response dated 30 April 2024, it said that once the account had been in arrears for more than 60 days, it was required to take action to prevent Mr F from falling into further debt, which meant terminating the agreement. It said the terms and conditions of the agreement allowed it to sell the debt to a third party.

Mr F remained unhappy and brought his complaint to this service.

Our investigator didn't uphold the complaint. He said that whilst he understood that Mr didn't want it to happen, NewDay had the right to sell the debt on under the terms and conditions of the account.

Mr F didn't agree. He said that NewDay hadn't informed him that they planned to sell the debt.

## **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.

I've reviewed the history of the account. I can see that Mr F had a payment holiday in 2021 which was extended through to October 2022. In October 2022 Mr F agreed a payment plan at £1 per month.

I've reviewed the correspondence that NewDay sent to Mr F during this period. I can see

that when NewDay confirmed the payment plan in October 2022, it wrote to Mr F. Within the letter, NewDay advised Mr F of the possibility of them selling the account.

NewDay also wrote to Mr F with a regulatory letter in November 2022 and with a termination notice in December 2022. Having reviewed these documents, I'm unable to say that NewDay made an error or treated Mr F unfairly when it terminated the account. The arrears had reached a level where NewDay was obliged to take steps to close the account to prevent Mr F from using the account and getting further into debt.

I appreciate that Mr F feels that NewDay treated him unfairly when it sold the debt to a third party. He's said that he was still in a payment plan when the debt was sold and that he should've been given notice. I've thought about this, and I can see that Mr F's payment plan was due to end in February 2023. NewDay wrote to Mr F about the payment plan on 14 February 2023 and explained in the letter that the debt could be sold to a debt purchaser.

Having reviewed everything, I'm unable to say that NewDay has made an error by selling the debt to Link Financial. The terms and conditions of the agreement state that NewDay can sell a debt if it wishes. Mr F agreed to these terms and conditions when he opened the account. Further, I'm satisfied that NewDay made Mr F that there was a possibility that the debt might be sold.

### **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 F to accept or reject my decision before 21 October 2024.

Emma Davy  
**Ombudsman**