

The complaint

Ms D complains about NewDay Ltd trading as Aqua's actions when she fell into arrears on her credit card account.

What happened

In October 2023, Ms D agreed to a no fee arrangement when her account fell into arrears. She was required to make six payments of £36 to bring her account up to date. Ms D made the first payment of £36 on 15 November 2023 and was due to make the second payment in December 2023.

When she didn't make her second payment by the agreed date, her no fee arrangement ended. But Aqua agreed to set this up again for three months starting in December 2023. Unhappy with the correspondence she was receiving about her arrears despite her arrangement, Ms D made multiple calls to Aqua in December 2023 and January 2024, and then raised a complaint.

Aqua didn't uphold the complaint but credited three late payment fees to Ms D's account. It explained a default notice was issued on 4 November 2023 as the last payment on the account was made on 15 August 2023. And it couldn't remove the information reported on Ms D's credit file because it is required to report accurate information. It also confirmed her no fee arrangement had been cancelled as she was up to date with her payments.

Our Investigator thought Aqua didn't need to do anything more. They said Ms D was told her statements and letters wouldn't reflect the payments she needed to make under the no fee arrangement as it was an informal plan. They were also satisfied Ms D was sent information about the arrangement in October 2023 and her account was brought up to date following her payments and adjustments made by Aqua in January 2024.

Ms D disagreed. She said, in summary, she was given conflicting information about the account and doesn't think her arrangement was set up correctly. She also said Aqua didn't explain the impact of the adjustments it made to her account.

As Ms D remained unhappy with the outcome, the case was passed to me to make a 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.

I understand Ms D feels very strongly about this complaint. I've carefully considered everything she's said, if I don't directly reference something in my decision it is not because I've not given this consideration. But I've focused on what I consider to be the crux of the complaint.

Aqua has provided the letter it issued to Ms D in October 2023 about her arrangement. I realise Ms D says she didn't receive the letter from Aqua. I'm required to decide if I think Aqua has done anything wrong. In Ms D's case, I can see from Aqua's system it shows the letter was sent. In the circumstances, I can only say Aqua has done something wrong if I'm satisfied the evidence shows that. The evidence I have shows the letter was sent. Why Ms D didn't receive it I can't know, but for the reasons mentioned above, I'm satisfied it was sent.

This letter explained that if payments under the arrangement are made as expected, Ms D wouldn't be contacted, except for any regulatory notices. It also explained that once Ms D has made the payments and repaid the arrears, she would be required to make payments as shown in her statements.

On 4 November 2023, Aqua issued a default notice to Ms D following two missed payments in September and October 2023. I can appreciate this letter would have been distressing for Ms D to receive, especially after she had agreed to the no fee arrangement. But this is something Aqua mentioned it may need to issue in its October 2023 letter. Therefore, I don't think it has acted unreasonably here.

I've seen Ms D's statements, so I fully appreciate her concerns about the payments requested and information about missed payments despite being on the arrangement. Having listened to calls Ms D had with Aqua, I can see it told her in December 2023 that the no fee arrangement was in place, but as it differed to a formal plan, the amount she's been asked to pay under the arrangement wouldn't be reflected on her statements, so she can disregard any communication she receives.

Ms D didn't make her second payment by the agreed date in December 2023, so in line with the terms of the arrangement, her account reverted to normal and she incurred fees. I can see Aqua refunded the charges applied when Ms D contacted it in December 2023, and confirmed she would need to make her next payment the no fee arrangement had been reset for three months.

I recognise Ms D is unhappy with the information she was given when she spoke to Aqua, and I can see made multiple calls to it between December 2023 and January 2024. On the 5 January 2024 call, Ms D explained to the advisor that despite being in an arrangement and making her payment on 21 December 2023, as agreed following her missed payment, she received correspondence that she was going to incur fees. The advisor looked into this and confirmed Ms D's payment had gone through so couldn't understand why she would receive any communication saying it hadn't been paid. The advisor also confirmed a payment arrangement for three months was showing on its systems. This call was then transferred to the complaints department. I haven't been provided with the recording for the second part of the call, but it seems Aqua agreed to refund a charge of £12.

When Ms D spoke to Aqua the following day, there was some initial confusion around the amount she needed to pay following the refund and her payment of £12.40 on 5 January 2024. But it confirmed that to bring the account up to date she needed to make a payment of £10.82 by 22 January 2024 – which she did.

I understand Ms D doesn't think the arrangement was set up correctly as it wasn't reflected in statements or communication sent to her. However, Aqua confirmed another arrangement had been set up when she contacted it, and previously provided the reason for the payment not being reflected on statements – this was an informal plan. So, I haven't seen enough to say it didn't reset the arrangement as advised, or acted unreasonably.

Aqua has told this service Ms D's second no fee arrangement broke when she failed to make the £36 payment by 22 January 2024. But I don't think this is quite right. It doesn't

correlate with the information given in its October 2023 letter or final response. I also note Ms D made the payment she was advised to when she contacted it in January 2024. And the total payments and credits to the account that month was £59.40, more than the payment arrangement. Therefore, I think it's more likely than not that it ended because her account was brought up to date that month.

Ms D says Aqua issued correspondence it shouldn't have. She's shared, along with the statements (which I've addressed above), a payment request she received in January 2024 with a December 2023 due date. So I can appreciate why its actions caused her frustration. From my review, I also think Aqua could have been clearer on how the no fee arrangement worked when Ms D contacted it in January 2024. But I don't think Aqua needs to do more here. It has shown that it refunded a total of £60 in fees, which were applied due to earlier missed payments and the account being overlimit. These refunds brought Ms D's account up to date sooner. So overall, I think it has acted reasonably.

I've also reviewed the information Aqua recorded on Ms D's credit file and I don't think it has acted unfairly. I think it's important to explain that Aqua is entitled to report arrears on the account to credit reference agencies, as it's an accurate reflection of how it's being managed. I can see it also advised Ms D in its October 2023 letter that it would continue to report her account as overdue. So any impact to Ms D's credit file isn't because Aqua failed to set up the arrangement correctly, as information would be reported regardless of the no fee arrangement being in place.

Ms D has also raised concerns about a letter she received from the complaints team referring to another branded credit card. Complaint handling isn't a regulated activity so we wouldn't be able to consider a complaint solely about this. The crux of Ms D's complaint is about her no fee arrangement. So, I can't say the issue which Ms D raised about the complaint handling is part of the crux of her complaint. This means I can't consider Ms D's concerns about this further.

I recognise Ms D will be disappointed with this outcome as she feels strongly about what's happened. But I'm not persuaded Aqua need to do anything further.

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 Ms D to accept or reject my decision before 28 April 2025.

Tania Henry
Ombudsman