

The complaint

Mr N complains that NewDay Ltd trading as John Lewis Partnership Card changed the monthly statement date and the payment due date on his account.

What happened

Mr N holds a John Lewis card. On 1 August 2024 NewDay wrote to Mr N and advised him that it was changing the date that statements were generated and the payment due date. It explained that currently, Mr N's direct debit was collected on the payment due date. It explained that as a result of the payment due date changing, the direct debit would be collected around 5 days before the payment due date.

The change came into effect in September 2024.

Mr N raised a complaint as he was unhappy with the changes. NewDay issued a final response on 2 August 2024. It said the changes didn't affect how or when Mr N made his payments and said that he could update his direct debit details or change his payment due date at anytime by logging into the app or the online account manager.

Mr N remained unhappy and brought his complaint to this service. He said he believed the interest free period was being reduced due to the direct debit payment being collected earlier than the payment due date.

Our investigator didn't uphold the complaint. He said that NewDay had made the changes to allow for direct debit processing times and avoid late payments.

Mr N didn't agree. He said he wanted to restore his direct debit payment to 5th of each month, and he wanted NewDay to update its online and printed information which contained reference to the interest free period to clarify that this was reduced by 5 days if payments were made by direct debit. Mr N said he'd held a John Lewis card for 20 years and had never been aware of his direct debit payment being late. Mr N said that he was being penalised for paying by direct debit with a shorter interest free period.

Because Mr N didn't agree I've been asked to review the complaint.

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 know that it will disappoint Mr N but I agree with the investigators opinion. I'll explain why.

I've read and considered the whole file, but I'll concentrate my comments on those points which are most relevant to my decision. If I don't comment on a specific point, it's not because I've failed to take it on board and think about it, but because I don't think I need to comment on it in order to reach what I think is the right outcome.

I've reviewed the email that NewDay sent to Mr N on 1 August 2024. This states that from

September 2024 onwards, the monthly statement date and the payment due date were moving so that they fall 5 days later. The email also stated that the direct debit was currently collected on the payment due date but that as the direct debit date wasn't changing, future direct debts would be collected around 5 days before the new payment date.

Based on the information I've seen, Mr N's monthly statement date was 20th of each month with a payment due date of 5th of each month. From September 2024 onwards this changed to 5 days later i.e., 25th of each month. The payment due date also changed to 5 days later.

NewDay has said that Mr N changed the monthly statement date from 25th of each month to 17th of each month via his online account on 21 September 2024. NewDay has also said that Mr N cancelled his direct debit instruction on 21 October 2024.

The terms and conditions of the account allow NewDay to make changes provided that reasonable notice is given to the customer. In this case, NewDay gave over a month's notice of the changes, which I'm satisfied is reasonable.

NewDay has explained that the rationale behind the decision to change the statement date and the payment due date was to give customers some breathing space to pay manually by the payment date and avoid late fees if their direct debit failed for any reason.

I appreciate that Mr N has said that he's never experienced any problems with his direct debit failing. For the avoidance of doubt, there's no suggestion that Mr N has ever paid late or mismanaged his account in any way.

I understand that Mr N isn't happy about his direct debit being collected 5 days before the payment due date. However, it's open to Mr N to make a manual payment at any time before the payment due date if he prefers to pay in this way. If Mr N pays manually in this way, this would address the concern he's raised about a shorter interest free period.

I've noted Mr N's concerns about the information published by NewDay regarding interest free periods. This wasn't part of his original complaint to NewDay, so I'm unable to look into this point as part of this decision. If Mr N wants to raise a complaint regarding the banks published materials relating to interest free periods, he will need to raise this directly with NewDay first and allow them to investigate.

Taking all the available information into account, I'm not persuaded that NewDay has made an error or treated Mr N unfairly. I won't be asking NewDay 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 N to accept or reject my decision before 12 February 2025.

Emma Davy
Ombudsman