

The complaint

Mr G complains that he was misled by NewDay Ltd (trading as 'Marbles') into applying for a credit card based on an advertised promotional rate of 0%.

All references to 'NewDay' will include the trading name of the credit card provider 'Marbles'.

What happened

Mr G applied for a NewDay credit card online on 5 April 2024 through a third party comparison website (the 'comparison website'). According to Mr G's agreement, the comparison website was acting as intermediary for NewDay. Mr G said he only applied for the NewDay credit card due to the promotional offer rate of 0% for purchases for three months, which was shown both on the comparison website and NewDay's website.

Mr G's application was successful. On 15 April 2024 he called NewDay to ask if the promotional rate applied to his card but was advised to call back after he received his first statement. And on 20 April 2024, when he called back, NewDay was able to confirm to Mr G that the promotional rate of 0% didn't, in fact, apply to his card. This was also confirmed by the first statement dated 15 April 2024.

Whilst the April statement didn't show any interest charged for that month, it gave the next month's estimated interest as £3.14 based on one transaction Mr G made on 14 April 2024. It also pointed Mr G to the 'Your interest rates' section in his statement for more information about what interest rates applied. This section showed the annual simple interest rate that applied to his credit card was, in fact, 30.348%, which was in line with the terms and conditions of the account.

Mr G complained to NewDay saying he had been misled and that he had relied on the information he'd been given. Initially, NewDay refunded him £7.24 as a gesture of goodwill, which was the interest charged up until May 2024. However, NewDay didn't think it had done anything wrong. Following further information from Mr G, NewDay conceded that its website showing the promotional rate could have been clearer. So, it offered to remove all interest charges on purchases made up to 31 August 2024 and to pay him £25 in compensation. However, by the time NewDay made this offer Mr G had already referred his complaint to our service and wanted us to continue to review this matter.

Our investigator upheld the complaint and asked NewDay to pay a further £150 in compensation for the inconvenience it had caused Mr G. But NewDay didn't agree. So, the matter was passed to me for a decision.

I issued a provisional decision. In short, I said that I thought the offer made by NewDay was fair and reasonable. NewDay agreed with my provisional decision but Mr G did not. Amongst other things, Mr G said:

- There was no other offer made to him other than the 0% interest free promotional period of three months – he did not apply for the credit card on the basis of interest applying to his purchases.

- The comparison website was not a broker for NewDay, rather the application was made directly to NewDay.
- He could have applied for another card if he'd been told the 0% promotional offer did not apply to his NewDay credit card.
- When Mr G called NewDay this was because the document he was sent didn't show the expected 0% promotional rate. So, he verbally told the NewDay agent about the offer and he was told to 'wait and see' if the 0% promotional rate did, in fact, apply.
- The ombudsman has accepted information and documents provided by NewDay which were only available after the application.
- The other credit card Mr G applied for at the same time as the NewDay credit card which had a similar promotional rate, correctly applied this promotional rate following his application. And NewDay should have done the same.

As no agreement could be reached, I'm issuing my final 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.

Before I set out my reasoning for this decision, I will start by saying I've carefully noted all the representations made by Mr G, but I won't be addressing every single point he's raised. I've instead concentrated on the issues I think are central to the outcome of his complaint. I want to reassure Mr G that I have fully taken account of all the further submissions in response to my provisional decision including everything he has sent up until the date of this final decision.

Whilst I've taken on board Mr G's further comments, I do not think he has added anything substantially new. I appreciate when he applied for the NewDay credit card there was an advertised promotional rate offer of 0% for three months. But there was no guarantee that Mr G would qualify for this. I also appreciate Mr G didn't realise that he may not be accepted for the promotional rate. But I think this became reasonably clear once he received the terms and conditions and the credit card statement which he received in April 2024.

I understand Mr G may have thought the initial statement was incorrect about the interest rate that applied. But he was told over the phone on 20 April 2024 that this promotional rate didn't apply to his card. Despite this he continued to use his card even after being told again in May 2024 that the promotional rate didn't apply. So, I can't reasonably or fairly say he relied on the promotional rate to make his spending decisions.

In any event, I think the offer made to him by NewDay does put him in a position he would have been had the promotional rate applied from the outset. NewDay has also agreed to pay him £25 for any distress and inconvenience it has caused. So, for all the reasons set out in my provisional decision which I will repeat below, I think this fairly and reasonably compensates Mr G. As set out in my provisional decision, my reasons for this decision are as follows:

In NewDay's second final response letter, it made Mr G an offer to refund and waive interest charges up to 31 August 2024 and pay him £25 in compensation. So, the only matter for me to decide in this case is whether its latest offer to put things right is fair and reasonable. And I think it is. I'll explain why.

From what I can see, Mr G contacted NewDay at an early stage to check whether the promotional rate of 0% for three months applied to his account. And reviewing what

NewDay's system notes say, he was clearly told that the promotional rate didn't apply. This was communicated to him over the phone on 20 April 2024 and repeated again in a final response letter dated 21 May 2024.

Mr G's statements also set out what interest rate applied. And the first of these is dated 15 April 2024, which was on the same date Mr G contacted NewDay to question the interest rate. I've summarised the contents of the April statement above so won't repeat it again here. The statements that followed the April statement included similar information as follows:

- The May 2024 statement shows between 23 April and 15 May 2024, new transactions totalled £341.76 with interest payable of £7.24.*
- The June 2024 statement shows between 29 May and 16 June 2024, new transactions totalled £210.45 with interest payable of £12.81.*
- The July 2024 statement shows new transactions totalled £32.64 with interest payable of £13.63.*
- The August 2024 statement shows Mr G stopped using his card for new transactions (subsequent statements also show this). There was still residual interest charged in August totaling £13.19.*
- All the above statements showed the standard purchase interest rate as 30.348%.*

So, in my view, from 20 April 2024, at the very latest, I think Mr G knew, or ought reasonably to have known that any purchases he made would be subject to the interest rate as set out in his agreement and statements which was 30.348%. But even once he was made aware of the actual interest rate he'd be charged, he continued to use his card up until August 2024. Therefore, I can't reasonably say the purchases he made after 20 April 2024, or any loss resulting from making them, was the result of anything said or done by NewDay.

I appreciate the promotional rate may have been the initial motivation for Mr G applying for the NewDay credit card. However, I can't fairly or reasonably say it was the reason he continued to use the card as I think he was made reasonably aware of the relevant interest rate that would apply.

I note Mr G has said he only continued to use the card because he thought what he was initially told by NewDay over the phone in April about the promotional rate not applying, was an error. But at the same time I can see he was receiving statements which clearly set out what interest rate applied for that month; what the predicted interest would be for the following month; and details of the actual interest rate that applied to all purchases.

I appreciate that once Mr G had applied and received the card, he may have wanted to use it. But I think once NewDay gave Mr G clear information about what promotional rate actually applied, I can't say any misleading information was reasonably relied on by him.

I know Mr G has said that he would have applied for other cards if he hadn't been misled by the promotional rate advertised by NewDay. But it isn't possible to know whether he would have been accepted for any other credit cards. And from what he said, the 0% promotional rate being offered by these other credit cards were no better than the three month 0% rate offer being promoted by NewDay. And, given NewDay's redress offer means Mr G will effectively have received an interest free period of around four months (April to August 2024), he is now better off than he would have been if he had applied for other credit cards offering similar 0% promotional rates for a period of three months.

All in all, I think NewDay's latest offer puts Mr G in the position he would have been but for any reliance he placed on the information he was given about the promotional rates during the application process. NewDay has also offered compensation of £25 by way of an apology. In light of all that I've said above, I think NewDay's latest offer fairly compensates Mr G for this matter. So, I won't be asking it to do anything more than it's already offered.

My final decision

My final decision is that I consider the offer made by NewDay Ltd trading as Marbles which is to refund, or not apply, any interest on Mr G's credit card for the period up to 31 August 2024 and to pay him £25 in compensation, is fair and reasonable. So, NewDay Ltd trading as Marbles must pay Mr G any outstanding part of this offer.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr G to accept or reject my decision before 27 January 2025.

Yolande Mcleod
Ombudsman