

## **The complaint**

Mr K complains that NewDay Ltd trading as Marbles Card terminated his account whilst he was in a payment plan.

## **What happened**

Mr K holds a Marbles credit card account with NewDay.

In January 2024 NewDay extended the payment holiday on the account until 19 February 2024.

NewDay issued a statement on 19 February 2024 which showed an outstanding balance of £2,684.81 with a contractual minimum payment of £26.85 and arrears of £414.65 due on 15 March 2024. The account was also £84.81 over the credit limit.

Mr K contacted NewDay on 20 February 2024 to discuss the account. NewDay agreed a six-month payment plan of £26.85 per month and took the first payment. The arrears on the account were removed as part of the plan. The NewDay agent advised Mr K that the account was 60 days in arrears and that it wasn't guaranteed that the payment plan would stop the account being terminated.

The account was terminated on 20 February 2024. The credit facilities were withdrawn so that Mr K could no longer make purchases. The account was then passed to a debt collection agency to collect payments on behalf of NewDay.

Mr K contacted NewDay on 21 February 2024 in response to the termination email. During the call Mr K was incorrectly advised that the agreement hadn't been terminated.

On 9 August 2024 Mr K contacted NewDay to extend the payment arrangement. He was advised that the agreement had been terminated.

Mr K complained to NewDay,

NewDay didn't uphold the complaint. In its final response it said the agreement had been terminated correctly.

Mr K remained unhappy and brought his complaint to this service. He wants the account reactivated.

Our investigator didn't uphold the complaint. He said that there was no evidence to suggest that NewDay had acted unfairly.

Mr K didn't agree. He said he remained unhappy about the termination of his account despite his ongoing engagement with NewDay and his willingness to repay what he owed. Mr K said that at the time of the discussions with NewDay in February 2024 he was struggling with his mental health which impacted on his ability to manage deadlines and financial obligations. Mr K said he didn't think NewDay's actions in terminating the account were fair or proportionate given his ongoing engagement with them. He said the payment

plan was established to avoid the account being terminated.

Because Mr K 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 it will disappoint Mr K, 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 account. I can see that Mr K contacted NewDay in June 2023 and advised them that he was experiencing financial difficulties. NewDay agreed to a three-month payment holiday. This was extended in September 2023.

On 27 September 2023 and 27 December 2023 NewDay sent Mr K default notice letters. The letter dated 27 December 2023 stated that if Mr K didn't repay the arrears before 17 January 2024 the account would be terminated. Mr K contacted NewDay on 9 January 2024 and a further payment holiday was agreed until 19 February 2024.

I've listened to the call dated 9 January 2024. During the call, Mr K was advised that he would need to contact NewDay before 19 February 2024.

I've also reviewed a letter which was sent to Mr K on 9 February 2024 which advised him that any payments due before the payment holiday began would become immediately payable on 19 February 2024.

I can see that Mr K contacted NewDay on 20 February 2024 and agreed a payment plan. I've listened to that call. During the call, Mr K explained his financial position and said he didn't want the account to be defaulted. The NewDay advisor explained to Mr K that the payment holiday had ended the previous day and that the account was now at day 60, which meant that it would automatically terminate if it was in arrears. The advisor said that if Mr K made a payment that day the arrears could be cleared, and it might be possible to stop the account from terminating but there was no guarantee that this would happen. The advisor explained that once the account terminated, Mr K would still be able to make payments but the stop on the card would be permanent. Mr K sought clarification from the agent as to whether he would get a default and the agent explained that this wouldn't happen, but that Mr K would lose the card permanently.

Having reviewed the account and listened to the calls I think NewDay provided clear and accurate information to Mr K about what was likely to happen to his account.

Mr K has said that he wasn't given enough time to address the arrears before the account was terminated. I don't agree with Mr K, because he was sent a letter on 9 February 2024 which made it clear that any payments which were due before his payment holiday began would become immediate payable on 19 February 2024. Mr K had also been sent a default letter in December which set out the payments which were due. I think this gave Mr K a reasonable time to contact NewDay before 19 February 2024.

I appreciate that Mr K has said that he tried to call NewDay on 19 February 2024, but their

offices had already closed for the day. The letter dated 9 February 2024 required Mr K to contact NewDay before 19 February 2024, so I don't think his call on 19 February 2024 would've made any difference even if he'd made it during office opening hours. In any event, I can't hold NewDay responsible for the fact that Mr K contacted them late.

Mr K has said that he doesn't think NewDay acted fairly by terminating the account. I've thought about this. Having reviewed the account I'm unable to say that NewDay made an error. It terminated the account in accordance with the deadline and the warnings it had given to Mr K. I appreciate that Mr K has said that he had engaged with NewDay. To the extent that there had been several payment holidays agreed by NewDay I would agree, however, the account had fallen into significant arrears and NewDay had been clear with Mr K about what would happen if he didn't pay the overdue amount by 19 February 2024. In the circumstances, I'm not persuaded that NewDay has treated Mr K unfairly or unreasonably.

For the reasons I've given I'm unable to uphold this complaint.

### **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 K to accept or reject my decision before 10 April 2025.

Emma Davy  
**Ombudsman**