

The complaint

Mr H complains that the balance outstanding on his credit card account is incorrect, and that NewDay Ltd didn't assist him with his enquiries.

What happened

Mr H has held a retailer branded credit card account through NewDay for several years. In 2022, the retailer stopped offering the account under its brand. NewDay asked Mr H if he wanted to opt in to continue using the account under one of its own brands. Because Mr H didn't opt in, the account was closed in November 2022 with a balance of £425.59.

Mr H continued to make payments each month via direct debit. He contacted NewDay in December 2023, and was unhappy there was still a balance despite all the payments he'd made. He said he'd paid significantly more than he'd borrowed on the card, so he didn't think he needed to make any further payments. He asked NewDay to cancel his direct debit and to send him a copy of his statements to show how the outstanding balance was calculated.

In January 2024, NewDay sent Mr H a copy of the account statements issued from June 2017 to December 2023 via an online platform. In February 2024, NewDay sent a default notice requiring Mr H to pay the arrears balance of £32.10 by 19 March 2024.

In March 2024, Mr H got back in touch. He said he was still waiting for the statements that he'd previously requested. NewDay sent a copy again via an online platform. Mr H said he didn't want to sign up for an online platform, so asked for the statements to be sent by post. He also said he was having trouble accessing his online account, so couldn't see any documents sent there. A few days later, Mr H said he'd received the paper statements – but they were faint and difficult to read. He said NewDay was being rude and unhelpful, and still hadn't been able to show that he owed a balance.

Mr H made a complaint. NewDay didn't think it had done anything wrong. It said it had complied with Mr H's requests for copies of his statements and had attempted to send them to him several times. It said that since Mr H cancelled his direct debit, arrears had accrued on the account which he needed to repay.

Still unhappy, Mr H referred his complaint to this service. One of our Investigators considered the complaint and upheld it. They were satisfied NewDay had shown there was still an outstanding balance for Mr H to pay, and that because Mr H's direct debit was set up to make the minimum payment, it was taking a long time for the balance to clear. But they thought NewDay could have done more to support Mr H with his requests for information and his attempts to access his account online. They recommended that NewDay pay Mr H £50 to put things right. They also recommended that NewDay resend Mr H's statements in the post to ensure he had a record of them.

NewDay accepted the Investigator's conclusions, but Mr H didn't. He said NewDay had sometimes taken payments above the minimum amount due – so the balance should have gone down more than it had. He also didn't think the compensation award fairly addressed the delays and problems NewDay had caused. He asked that the complaint be referred to an

Ombudsman for a final decision. So, it's been passed to me to decide.

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.

While I've considered all of the information Mr H and NewDay have provided, my decision will focus on what I consider to be the key points of the complaint. If I haven't commented on any specific point, it's because I don't believe it's affected what I think is the right outcome – and isn't intended as a discourtesy to either party. Where evidence is incomplete or contradictory, I've reached my decision on the balance of probabilities – what I think is more likely than not to have happened given the available evidence and wider circumstances.

I can appreciate why Mr H is unhappy with NewDay's actions. From his perspective, he's paid more on his account than he borrowed to begin with. And when he asked NewDay to provide evidence of what he owed, he couldn't access that information easily. So, I can understand why he felt there may have been a problem with the amount he was being asked to pay.

I've considered whether NewDay has shown that the balance on Mr H's account is correct – considering the amounts he's paid toward it over the years. I've also considered the level of service NewDay provided to Mr H when he disputed the amount owed. Where I think NewDay made an error, I've considered the impact it had on Mr H and how best to put things right - taking the relevant circumstances into account.

When Mr H's account was closed in November 2022, the balance remaining to pay was £425.59. Mr H's direct debit was set to take the minimum amount due each month. Because interest is charged on an account each month, paying only the minimum amount due means it can take a long time for the outstanding balance to be cleared. I'm satisfied this is what happened with Mr H's account. From what I've seen, it appears interest has been applied in line with the terms of the account. So, although Mr H was clearing some of the balance each month, he wasn't paying enough to reduce what he owed by a significant amount.

Mr H has queried why NewDay took more than the minimum payment in some months. I can see from Mr H's statements that NewDay recommended additional payments whenever it was concerned that Mr H's account was at risk of falling into persistent debt. Lenders are required to take certain steps when a customer is in the position of having paid more in interest and charges over a period than they've paid towards the balance owed.

NewDay sent Mr H letters to let him know his account had fallen into persistent debt and that it would be recommending additional payments each month. It also gave him the option of opting out of these additional payments. I don't think this was unreasonable, as it helped Mr H to reduce his balance more quickly than he otherwise would have had he continued to only make the minimum payment each month.

Mr H cancelled his direct debit and stopped making payments in December 2023. NewDay applied late payment charges in the months following, as no payments were received. I'm satisfied NewDay applied these charges in line with the terms of the account, as Mr H wasn't making the required payments. Although Mr H had told NewDay he disputed the balance on the account, he was still required to make payments in line with the terms of his agreement. Because he didn't, NewDay was entitled to follow its usual process and apply late payment charges. NewDay is also required to report true and accurate information about the way Mr H manages his account to credit reference agencies – so it had an obligation to record the fact that Mr H wasn't making the required payments each month.

From Mr H's statements, I haven't seen anything to suggest that NewDay has calculated his outstanding balance or charged him incorrectly. And I haven't seen any other evidence to persuade me that NewDay made an error or treated Mr H unfairly when managing his account. I can appreciate Mr H is unhappy his balance hasn't reduced as much as he'd hoped, but I don't think this was due to any error on NewDay's part.

I've also considered Mr H's concerns about the service he received from NewDay. Mr H asked NewDay for copies of his statements in December 2023. NewDay made several attempts to send them to Mr H, but he had trouble accessing them. Specifically, he said he didn't want to make an account for a third-party online platform – so couldn't view the statements online.

I don't have any concerns with the way NewDay shared the statements with Mr H. It gave him a method of accessing the information he needed, and gave instructions to help him do so. But when Mr H told NewDay he didn't want to use the online platform, it could have done more to consider alternative methods of sending the statements – such as sending them by post or email. Although it eventually agreed to send the statements by post, it made several attempts to send them via the online platform despite knowing Mr H didn't want to use it. I can see how this would have been frustrating for Mr H.

Mr H also sent several emails to NewDay requesting copies of his statements and explaining why he couldn't access the ones it had sent. I can't see that NewDay responded to most of these emails – which I'd have expected it to do.

Mr H also told NewDay he was having trouble accessing his online account, which was making it difficult for him to see the current status of the account or review his recent statements. NewDay helped him access the account when he called in December 2023, but he said he had further problems in the months that followed. He sent a screenshot to NewDay to demonstrate the problem. From this, it appears Mr H had entered his details incorrectly, causing his login attempts to fail. I think NewDay could have highlighted this to Mr H and taken steps to ensure he knew how to access the account online.

In summary, I don't have any concerns with the amount NewDay asked Mr H to pay to clear the balance on his account, or with the charges it applied. Although it provided Mr H with copies of his statements when requested, it could have done more to support him when he said he'd had trouble accessing them. Mr H didn't fully understand how the balance had been calculated – which caused him some frustration. I've also taken into account that Mr H could have accessed his statements in January 2024 using the online platform – but chose not to. So, I don't think Mr H being unable to access his statements was entirely down to NewDay's errors. NewDay also provided a poor service by failing to reply to some of Mr H's emails. Taking all of the circumstances into account, I think £50 is a fair reflection of the inconvenience NewDay's errors caused Mr H – so it should pay him that amount.

Although Mr H now has access to his statements, he's asked for the paper copies to be re-issued to him as they're faint and difficult to read. If it hasn't already, NewDay should arrange to re-issue paper copies of Mr H's statements for his records.

My final decision

My final decision is that I uphold Mr H's complaint. I require NewDay Ltd to:

- Pay Mr H £50 compensation.
- If it hasn't already, re-issue Mr H's historic account statements by post from the date

of the account opening onwards.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr H to accept or reject my decision before 11 June 2025.

Stephen Billings
Ombudsman