

The complaint

In order to protect the consumer's anonymity, I'll refer to him as 'X' throughout this decision.

X complains about the way that NewDay Ltd trading as Pulse ('Pulse') handled his credit card account. X is being represented. Any references to X will include submissions and evidence provided by his representative.

What happened

X had a credit card with Pulse. The last payment made by X was on 26 May 2023 for £33.52. Pulse sent X letters in July and August 2023 to his registered address informing him about missed payments. As no payments were made in response to these letters, a default notice was issued on 15 August 2023. And on 8 September 2023, his account was terminated with an outstanding balance of £351.86. On 12 September 2023, Pulse recorded on its system confirmation from X that since June 2023 he'd been in prison. Pulse agreed to place his account on hold during which time it would not add any further interest or charges.

X complained saying Pulse had unfairly terminated his account. But Pulse rejected X's complaint saying it had correctly followed its process before doing so.

One of our investigator's considered this complaint but didn't think Pulse had acted unfairly. X disagreed and asked for an ombudsman to consider this matter.

I issued a provisional decision. I said I was reaching the same outcome as our investigator but for slightly different reasons. Pulse didn't add anything further. X rejected my findings. In summary, he said:

- Pulse didn't communicate to him clearly and didn't send a bill – payment would've been made if it had done so
- If Pulse reinstates the account, he'd be happy to make the payment
- He was under the impression Pulse had acted on his letter and placed the account on hold
- At no point did he understand that Pulse had terminated his account
- At least one organisation acting on X's behalf, had written to Pulse in June 2023
- The provisional decision was judgmental based on the 'miscarriage of justice'
- He was not in a reasonable state of mind following his conviction
- Information sent to our service was lost

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.

As I said in my provisional decision and will repeat in my final decision, I will start by saying that the matter X raised about potential data breaches, will not be considered as

part of this complaint for the reasons given by our investigator. I should also say that whilst I've taken everything X has said into account, I will not refer to everything he has said. This reflects our informal remit.

I've reconsidered all the evidence and arguments in reaching this decision. Having done so, I remain of the same view for the same reasons. I note the further comments X has sent to us, and I thank him for doing so. But these comments are not substantially different from the submissions he has previously made so my decision remains the same. Just on the point of what he says about feeling the decision is judgemental, I want to assure him that my decision is based on all the available evidence. My role is to reach, what I consider, to be a fair and reasonable outcome based on all the evidence available to me and that is what I've done. I also note that he thinks some information has been lost. But I consider that I have sufficient information to reach a decision in this case. Where information is incomplete or contradictory, I based my decision on a balance of probabilities. Before I go on to comment on X's further submissions, I will now set out my provisional decision findings which now forms part of my final decision as follows:

X says he, and a debt adviser who was helping him, contacted Pulse in August 2023 letting it know he (X) was in prison. The first time I can see X contacting Pulse was by letter which was dated 27 August 2023. But this doesn't seem to have been received by Pulse until 12 September 2023 which is when it recorded receipt of this letter on its system. In this letter X said he wanted the account to be put on hold until he was released from prison. In terms of the debt adviser, the first record Pulse has of any contact referring to this person was in October 2023.

So, from everything I've seen, I think the first time Pulse had confirmation from X directly about his situation, was when it received his letter dated 27 August 2023 which, as I said, was recorded as being received on 12 September 2023. And by this point, and even by the date of the letter, Pulse had already sent several letters to X at his registered address about the missed payments in July and August 2023 followed by a default notice dated 15 August 2023. In all the circumstances, I don't think Pulse acted unreasonably or unfairly when it terminated X's account as of 8 September 2023. That said, I can see Pulse contacted X by phone on 8 August 2023 which was before it received confirmation from him directly about his situation. Its records show a third party answered this call and did say X was in prison. But from what I can see this third party didn't provide their name and/or any information to show they had authority from X to act on his behalf before they terminated the call. So, I can't say Pulse acted unfairly or unreasonably for continuing to contact X in the way that it did.

X has said the only reason he didn't make any further payments was due to not receiving these letters. But even when he contacted Pulse, he didn't say he was making an offer to pay the outstanding amount. What he said was that he wanted Pulse to freeze his account and not add any interest. I can't see any record of him trying to arrange payment before his account was terminated (September 2023). The first time I can see a record X offering to make a payment was in his letter dated 7 January 2024. So, on balance, I'm not persuaded that even if Pulse had received his letter dated 27 August 2023 earlier, this would've changed matters.

X refers to the letter from Pulse dated 12 September 2023, which was in response to his letter received on, or around the same day. In this letter Pulse said it would put X's account on hold as he requested. X appears to have taken this to mean the account would remain open. But as I've said above, the account had already been terminated by this point and without any payments being made, I don't think Pulse acted unfairly here. I think the letter it sent to X on 12 September 2023 made it reasonably clear that due to X's circumstances Pulse was willing to not add any further interest and charges to his

account. I don't think anything Pulse said indicated it was willing to re-open the account and keep it open until X's release date which wasn't due for several years. From everything I've seen, I don't think Pulse is acting unfairly or unreasonably in this regard.

In terms of X's further submissions, I've fully considered these, but I can't see he has added anything substantially new. I appreciate X may not have known his account had been terminated but from what I can see Pulse did notify him of its intended actions. I note he says a letter was sent to Pulse in June 2023 on his behalf by an organisation he was working with. However, the earliest letter I can see being received by Pulse was the one dated 27 August 2023. Even if he had sent a letter earlier than this, I can't be sure that this would've changed matters. I say this because, as noted above, the first time I can see a record of X offering to make a payment was in his letter dated 7 January 2024. So, on balance, I'm still not persuaded that even if Pulse had received his earlier communications, this would have changed matters.

So, whilst I understand X will be disappointed by this outcome, for the reasons set out above, I'm not upholding this complaint.

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 X to accept or reject my decision before 16 June 2025.

Yolande Mcleod
Ombudsman