

## The complaint

Miss M complains that NewDay Ltd cancelled payment arrangements on her accounts without telling her and applied interest despite the fact that she was maintaining payment arrangements across all three accounts.

## What happened

Miss M holds three credit card accounts with NewDay.

She's unhappy that her credit limit was increased on each card without checking that it was affordable for her. Miss M says this led to her having to set up payments arrangements on each account. Miss M is unhappy that NewDay cancelled the payment arrangements without telling her and applied interest to the accounts.

Miss M complained to NewDay, but it didn't uphold her complaint, so she brought her complaint to this service.

Miss M's complaint about unaffordable lending has been dealt with under a separate complaint reference. This complaint relates to the cancellation of the payments arrangements.

Our investigator didn't uphold the complaint. She said the history of the account showed that Miss M had missed payments under the payment arrangements and that NewDay hadn't made an error in cancelling the arrangements.

Miss M didn't agree so 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've reviewed all three accounts. I can see that Miss M has had several payment arrangements set up. Each time a payment arrangement was set up, NewDay sent a letter to Miss M confirming the arrangement and setting out the due date for payment and the amount.

The letter states:

*"If you fail to make payments, we may cancel your repayment plan"*

The account history shows that Miss M didn't maintain the payment arrangements. In the circumstances, I'm unable to say that NewDay made an error when it cancelled the arrangements.

I appreciate that Miss M had genuine reasons for not maintaining the arrangements. She's explained that her rent increased and that she had to [pay for some emergency repairs. I can see that Miss M kept NewDay advised when she was unable to pay, however, this doesn't

mean that NewDay made an error when it cancelled the arrangements.

Once the payment arrangements had been cancelled, interest was applied to the account. I appreciate that this has increased the amount that Miss M owes and has made it harder for her to repay the debt. However, interest is only suspended when a payment arrangement is in place, so once the arrangements were cancelled, interest was correctly applied.

I've reviewed the letters that NewDay sent to Miss M when the payment arrangements were cancelled. These letters explain why the arrangement was cancelled and sets out what will happen with the account next. Having reviewed these letters, I'm satisfied that NewDay kept Miss M informed about the status of her account.

Taking all the available information into account, I'm unable to say that NewDay has made an error or treated Miss M unfairly.

I appreciate that Miss M wants her credit file amended. However, I'm unable to ask NewDay to do this, because NewDay is under an obligation to report accurate information to the credit reference agencies and (based on what I've seen) is correctly reporting the payment arrangements and the arrears on the accounts.

### **My final decision**

My final decision is that I don't uphold the account.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss M to accept or reject my decision before 12 August 2025.

Emma Davy  
**Ombudsman**