

The complaint

Mr W is unhappy that NewDay Ltd trading as Pulse (formerly Amazon Classic) ('NewDay') migrated his credit card to Pulse from Amazon without telling him and caused him issues accessing his account.

Mr W complains that he's been overcharged fees and interest, and a default was unfairly reported to his credit file.

Mr W would like a refund of fees and interest, for the default to be removed, and for NewDay to compensate him for his distress and inconvenience.

What happened

Mr W had an Amazon Classic credit card in December 2019 which was administered by NewDay Ltd.

Mr W moved house around November 2022 and subsequently didn't receive communications from NewDay about his account.

Mr W contacted NewDay in July 2023 and regained access to his online account. He asked for copies of statement to be sent to him as he was unhappy that fees and interest had been applied. Mr W disputed the balance, and he didn't make payments.

NewDay wrote to Mr W about his arrears and sent a default notice in September 2023, before registering a default with the credit reference agencies.

Mr W complained to NewDay, and subsequently to the Financial Ombudsman Service, that he hadn't received any communication from NewDay and he'd not been able to manage his account. NewDay didn't accept this, and said they'd sent their letters to Mr W's address on file, which he'd not updated until August 2024. NewDay didn't uphold Mr W's complaint.

Our investigator considered Mr W's complaint and the information and evidence provided by both parties. They couldn't see evidence of Mr W's address being updated until August 2024, and so didn't hold NewDay responsible for sending correspondence to Mr W's old address.

Our investigator concluded that Mr W had been able to access his account in July 2023 and had chosen not to make payments, which ultimately led to the default. Our investigator didn't think Mr W had been treated unfairly by NewDay in these circumstances.

Mr W strongly disagreed. He said NewDay had no legal basis to transfer his account to a new credit provider with no option to opt out, and said he'd updated Amazon with his address. He highlighted he'd had issues accessing both his account and NewDay's support, and he was unhappy they'd recently got his new address wrong.

Mr W asked for an ombudsman to review his complaint.

My provisional decision

I recently sent the parties my provisional decision, saying:

"I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint. I've taken into account any relevant law and regulations, the regulator's rules, guidance and standards, codes of practice and (where appropriate) what is considered to have been good industry practice at the relevant time.

Having considered the evidence and information from both parties I don't intend to uphold Mr W's complaint. I'll explain why.

I'm not minded to agree with Mr W that he was forced into an agreement with a new credit provider. I say this because when Mr W's Amazon Classic Mastercard account was changed to a Pulse account this wasn't a new credit agreement, it was a rebranding of the card. Mr W's account was still administered by NewDay, the lender Mr W had made his credit agreement with.

I'm also not minded to agree that Mr W wasn't notified of the changes to his account. NewDay sent a letter to Mr W before he moved house, informing him his account would be rebranded as Pulse. The letter said Mr W's account would be closed and he'd need to pay off his balance, and that his online account log in details would remain the same. I agree with our investigator that this letter was likely to have come to Mr W's attention, given it was sent to his old address while he still lived there.

I accept Mr W may not have received further paper correspondence from NewDay after he moved. But I'm not inclined to say I should hold NewDay responsible for this, if Mr W didn't update them with his new address. NewDay set out on the final page of the terms and conditions for the credit agreement that they "will use the most recent address...you have given us for all purposes."

NewDay's system notes evidence that Mr W updated his address with them in August 2024. I am minded to accept that NewDay got one letter of Mr W's postcode wrong when doing this, albeit the rest of his address was correct. NewDay corrected this error at Mr W's request in September 2024, so I'm minded to say the impact of this error was minimal, though it frustrated Mr W.

Mr W said he told Amazon about his change of address and I don't doubt this given he continued to receive Amazon deliveries. But I'm not minded to say this was sufficient to update NewDay of his new address, as Amazon were not responsible for the administration of Mr W's account.

In any event Mr W contacted NewDay in July 2023. At the time he was supported to access his online account and I can see from NewDay's online banking records that Mr W viewed his statements. NewDay's system notes indicate Mr W was informed of his account balance, but Mr W declined to make a payment. Mr W's direct debit was cancelled that month and so his last payment to the account was in July 2023.

Mr W disputes the interest and charges on his account. Pages 2 and 4 of Mr W's credit agreement set out that default fees of £12 will be charged for a missed payment, and page 3 details how interest will be charged on outstanding balances. Mr W's statements from August 2023 include default fees of £12 because Mr W didn't make payments after his direct debit was cancelled. Interest continued to be applied, because Mr W had an outstanding balance. I'm not minded to say this was unfair, given the terms and conditions of Mr W's account.

NewDay sent Mr W letters about the arrears, a default notice, a termination notice and then a letter saying NewDay intended to register the default with the credit reference agencies. Given NewDay were under an obligation to send these letters by post, I'm not inclined to say they did anything wrong using Mr W's old address which was the last known address they had on file, and hadn't been updated by Mr W during his phone call in July 2023.

I understand that Mr W feels he wasn't given the chance to avoid the default. I'm not inclined to agree with Mr W because there's evidence Mr W had access to his account and could have made payments.

The Information Commissioner's Office (ICO) sets out guiding principles for businesses reporting arrears, arrangements and defaults. The ICO says that by the time an account is at least three months in arrears, and normally by the time an account is six months in arrears, it's generally expected that a default will be registered. NewDay defaulted Mr W's account when he was five months in arrears, which I'm inclined to say was fair and in line with the ICO's expectations.

Mr W has complained that NewDay are unreasonably inaccessible and their customer service is incredibly hard to reach. I've seen Mr W was able to access NewDay's support in July 2023 and in August 2024 when he raised his complaint. And I've noted Mr W was able to raise a DSAR which was actioned. I haven't seen evidence that Mr W's attempts to contact NewDay have been unreasonably difficult, so I'm not minded to say NewDay need to put anything right here.

I know this will be disappointment to Mr W but in these circumstances I haven't found NewDay have acted unfairly towards him, and so I don't intend to uphold his complaint."

Responses to my provisional decision

NewDay didn't respond.

Mr W responded to say he no longer disputed the transaction on the card. However he thought NewDay had been negligent in not contacting him via phone, email or his correct postal address, and said to date he had not received anything from NewDay regarding his account.

Mr W said he wanted to pay his debt without interest and have the default removed from his credit file.

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 am sorry to disappoint Mr W but I am not persuaded to depart from my provisional decision and I've decided not to uphold his complaint, for the reasons I've already provided.

Mr W accepts the transactions on the card are his and although he may have disputed them in July 2023 when he was aware of spending on his account, he chose not to make payment.

In those circumstances I don't think it's unfair or unreasonable for NewDay to add interest and charges in line with the terms and conditions of Mr W's account, or take steps to default the account.

I've found that NewDay used Mr W's last known address in accordance with their terms and conditions, which I don't think is negligent. I've also identified that Mr W's log in details for his

online account hadn't changed and that Mr W established contact with NewDay and accessed his online account before his account was defaulted. I therefore consider that Mr W has had a fair chance here to pay his debt and avoid the default.

If Mr W wishes to come to an agreement to settle the debt then he needs to contact NewDay (or the current owner of the debt, if it has been assigned). If the debt is settled then Mr W can expect this to be recorded on his credit file, although the default will remain for six years from the date of entry.

If Mr W hasn't received information he's requested from NewDay since he corrected his updated address then this is a matter he should raise with NewDay.

My final decision

For the reasons I've outlined, I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr W to accept or reject my decision before 7 July 2025.

Clare Burgess-Cade
Ombudsman