

## The complaint

Miss K complains that ONMO Limited unfairly applied an overlimit fee to her credit card account.

## What happened

Miss K says that she regularly uses and checks her credit card, ensuring she remains inside of the credit limit. So she was surprised to find out that in March 2025, she was showing as being over the limit and had been charged as a result. Miss K says she didn't get any notification that she was over the limit, and she doesn't think that her balance exceeded the limit. Miss K adds that ONMO froze her account which caused her embarrassment, and she was unable to use her card while on holiday.

Miss K says that she wants ONMO to put things right for her by removing any impact to her credit file and paying her compensation for the distress the situation caused her.

ONMO responded to Miss K's complaint and upheld it in part. It explained to Miss K that she had gone over the agreed credit limit when interest was applied to her account on 3 March 2025 – further purchases that went through took the account further over the limit. ONMO explained that interest is charged to the account when the balance isn't repaid in full. ONMO did find though that it should have notified Miss K when she was using 90% of her balance. Because of this, it agreed to refund the overlimit charge that had been applied to her account.

An Investigator considered what both parties had said but they didn't think Miss K's complaint should be upheld. They explained that the account had exceeded the agreed credit limit and ONMO had acted in line with the terms and conditions of the account by applying a £12 fee. The Investigator didn't think ONMO needed to do anything more for Miss K.

Miss K didn't agree with the Investigator's view. In summary, she explained that ONMO hadn't provided her with notification of her account balance, which resulted in her going over the limit and not being able to use her card while on holiday, and the removal of the fee offered by ONMO doesn't address the full impact the matter had on her. Miss K made the below main points:

- Lack of adequate notification – the Financial Conduct Authority (FCA) emphasises the importance of clear communication. When ONMO didn't notify her that she was near her credit limit, she wasn't able to mitigate her circumstances and reduce her spending. She says this has led to further financial impact.
- Unfair financial impact – The over limit fee and subsequent interest charges have resulted in financial difficulty. The overlimit fee was disproportionate to the breach in the credit limit.
- Breach in FCA principles – the lack of notification breached the FCA's principle in 'treating customers fairly'.

Because an agreement couldn't be reached the complaint has been passed to me to decide on the matter.

### **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.

Having considered all of the evidence available, I don't uphold Miss K's complaint.

As Miss K is aware, the terms and conditions of her account say that a charge will be applied to her account if she exceeds the agreed credit limit. The credit limit was exceeded when interest was applied to the account on 3 March 2025. And so, a £12 charge was applied on 4 March 2025. Because of this, ONMO acted in line with the terms and conditions of the account when applying the charge.

It is ultimately Miss K's responsibility to manage her account in line with the terms and conditions, so it is up to her to ensure that the balance doesn't exceed the agreed credit limit. I note that ONMO has said that it should have notified her when she was using 90% of her balance and so agreed to refund the fee. I think this is sufficient in the circumstances. I can also see that ONMO hasn't recorded anything on Miss K's credit file to show the account was over the limit on this month.

The only financial impact I have seen is the fee itself, which has been refunded. Interest was applied to the account as a result of the purchases made, not the fee itself. I accept that Miss K says this resulted in her not being able to use her credit card while she was away, which I accept might have been inconvenient. However, it was up to Miss K to ensure the account had enough available credit on it to spend. The interest applied to the account that took it over the limit was around £13. So, Miss K would have had very little available credit to spend prior to this.

I haven't seen any other evidence of financial impact to Miss K as a result of ONMO not notifying her that her account was close to the limit. Like I said, I can understand why Miss K might have felt distressed by what happened, in that she couldn't use her card for spending. But I'm not persuaded this is as a result of something ONMO has done wrong.

For all the reasons I've set out above, I'm satisfied that Miss K's account went over the limit when interest was applied to it, and so the fee was added in line with the terms and conditions of the account – this wasn't in my view unreasonable. I'm persuaded that ONMO has put right any failings in its communication with Miss K by refunding the £12 fee – so it put her back in the position she would have been in had she not gone over the limit.

### **My final decision**

For the reasons set out above, I don't uphold Miss K's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss K to accept or reject my decision before 4 August 2025.

Sophie Wilkinson  
**Ombudsman**