

The complaint

Mr R complains that NewDay Ltd ('NewDay'), trading as Pulse Credit Card, shouldn't have approved a payment that allowed him to go over-limit. He says the payment had also been taken early and shouldn't have been.

What happened

The detailed background to this complaint is well known to both parties. So, I'll only provide a brief overview of some of the key events here.

In December 2024 a payment of £156 was debited from Mr R's credit card. That payment took his account over his credit limit. He complained to NewDay and said that they shouldn't have allowed the payment to go through.

NewDay refunded the over limit fee they had applied but they didn't think they'd been wrong to allow the payment.

Mr R referred his complaint to this service and our investigator provided his opinion. He didn't think NewDay were wrong to approve the transaction and as the transaction had never been disputed with the merchant he didn't think there was cause for NewDay to refund it.

Mr R disagreed and asked for a decision by an ombudsman.

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 was very sorry to hear about Mr R's circumstances but I'm afraid I agree with our investigator's opinion and for broadly the same reasons. I'll explain why.

The Financial Ombudsman is designed to be a quick and informal alternative to the courts. Given that, my role as an ombudsman is not to address every single point that has been made. Instead, it is to decide what is fair and reasonable given the circumstances of this complaint. And for that reason, I am only going to refer to what I think are the most salient points. But I have read all of the submissions from both sides in full, and I keep in mind all of the points that have been made when I set out my decision.

The payment in question was a recurring transaction that had been pre-approved by Mr R when it was set up. NewDay has a duty to process valid payment instructions quickly and with minimal friction. That position is set out in the Payment Service Regulations (2017). There was no obligation on them to stop the payment when it was requested.

Mr R says the payment was taken too early, but I've not seen evidence to support that assertion, and he's explained that he's not contacted the merchant for a refund and there's not been a claim made though the business for one. I don't think it would be fair to say that,

in those circumstances, there is sufficient evidence to suggest the payment was taken in error.

I understand that Mr R stopped making payments towards his account when his dispute was unresolved but as he has a responsibility under the terms of his contract with NewDay to make at least minimum payments towards his account balance, I can't say NewDay would be wrong to take action to pursue the debt or to eventually default the account if arrears aren't/weren't recovered.

Where a customer is experiencing financial difficulties (for whatever reason) this service would expect a lender to treat the customer positively and sympathetically. There are many different ways in which a lender can do this, including (for instance) suspending interest and charges, accepting reduced payments, or accepting nominal or no payments for a specified period. Here, I can see that NewDay have been supportive. They've refunded an over limit fee and they've allowed Mr R a payment holiday. If the account is now defaulted, I would expect NewDay to show further forbearance and to agree an affordable repayment plan with Mr R to help him repay his debt. But I don't think their actions have been unreasonable.

My final decision

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

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr R to accept or reject my decision before 2 September 2025.

Phillip McMahon
Ombudsman