

## **The complaint**

Mr S complains that NewDay Ltd trading as Aqua acted unfairly by terminating his credit card agreement.

## **What happened**

Mr S holds a credit card account with Aqua. In January, Aqua sent him a default notice requiring him to pay the arrears which had built up on the account. The notice gave a deadline for payment and set out the steps Aqua might take if Mr S didn't pay on time. These included terminating his credit agreement and reporting this to the credit reference agencies.

Mr S contacted Aqua in February, before the deadline, and it agreed to a payment holiday until 21 April. This meant that Mr S didn't have to make any repayments until that date. Aqua wrote to Mr S to explain how the payment holiday would work. It said that any overdue payments would need to be repaid by the end of the payment holiday. And that, if Mr S was struggling to make the repayment, he should contact Aqua before the end date to discuss other support options.

Mr S called Aqua on 7 April. He asked if the payment holiday could be extended to 21 May. The agent said the system wouldn't let her do that and asked the reason why Mr S needed more support. Mr S explained that he was waiting for a payment which might not arrive in time for 21 April. The agent advised Mr S to contact Aqua again by 21 April and said Aqua would see if the payment holiday could be extended by one more month. Mr S said he would call back by 21 April and then changed this to say he would call by 20 April.

Aqua wrote to Mr S a few days later to let him know that the payment holiday was coming to an end and tell him what he needed to do next. It said he would need to start making at least the minimum monthly payment again by the date shown on his next statement. And that any payments that were already due before the payment holiday began would become immediately payable on 21 April. It asked him to get in touch before the end of the payment holiday to make payment. It also said that, if Mr S was finding it hard to pay, he should call Aqua and it would work with him to find a solution.

On 16 April, Mr S contacted Aqua through its online messaging service. He said he needed the payment holiday to be extended, as he needed additional time to make the payment. He said he'd been told to call before 21 April but had noticed that date was a bank holiday. So he asked Aqua to extend the payment holiday straight away. Aqua said it couldn't extend the plan because Mr S had already used the maximum number of payment holidays available.

Aqua said it could look at alternative support options. It said it would need to ask a few questions to understand his circumstances. Mr S answered an initial question but then said he couldn't deal with the information at that time and would have to call back the next day. Aqua provided a telephone number for him to ring when he was ready.

On 22 April, Aqua wrote to Mr S to say it had terminated his credit card agreement. Mr S contacted Aqua through the messaging service and said the account had been terminated incorrectly. He said that he'd made contact before and been told he had to call back on 21

April because the payment holiday couldn't be adjusted before it expired on that date. But he said it wasn't possible for him to contact Aqua on 21 April because it was a bank holiday and all banks were closed. So, he said there was no way he could change the payment holiday, which was why he'd made contact on 16 April. He asked Aqua to reopen his account and extend the payment holiday. He said that when Aqua set up the payment holiday, it should have checked that it didn't end on a bank holiday.

Aqua said it couldn't reopen the account, but it raised a complaint for Mr S. During the same conversation, the agent said they could apply a further payment holiday, meaning that Mr S wouldn't have to make any repayments until June. Mr S agreed to this and Aqua wrote to him to confirm the new payment holiday was in place.

In May, Aqua wrote to Mr S about his complaint. It said there was no evidence of any error by Aqua, so the complaint wasn't upheld. But Mr S remained unhappy about the situation and referred the complaint to this service. He said that, because his payment holiday expired on a bank holiday, he had no opportunity to amend the plan or make a payment before his account was defaulted.

During the investigation by this service, Aqua reviewed the complaint and identified two mistakes. Firstly, it said the further payment holiday shouldn't have been agreed on 22 April, because Mr S had already used the maximum number of payment holidays it can allow. Secondly, it said that Aqua was open on 21 April, so its agent should have told Mr S (when he got in touch on 16 April) that he would be able to make contact on 21 April despite it being a bank holiday. Aqua offered Mr S £100 by way of apology for these mistakes. But it maintained that it had correctly terminated his account.

Our Investigator thought Aqua's offer of £100 was fair and didn't think it needed to do any more. But Mr S didn't agree and asked for the complaint to be reviewed 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.

It's not disputed that Mr S's account was in arrears when the payment holiday was agreed in February. Mr S knew that the payment holiday would end on 21 April. I'm satisfied that he knew he needed to pay off the arrears by this date. And I think the letter confirming the payment holiday was clear that Mr S would need to contact Aqua before 21 April if he was going to struggle to make the payment. I think that's why Mr S was proactive in contacting Aqua on 7 April to ask for more time.

Mr S says he was told to call back on 21 April because the payment holiday couldn't be extended until the expiry date. I've listened to the call of 7 April. The agent said that the system wouldn't let her extend the payment holiday, but she didn't say why. She told Mr S to call back by 21 April. She didn't say that he had to call on 21 April. And she didn't say that nothing could be done before 21 April. I think Mr S understood this at the time, as he said he would call back by 20 April and made contact again on 16 April.

I haven't seen any evidence of Mr S being told that the payment holiday would be extended beyond 21 April. The agent on 7 April said that if Mr S got in touch again by 21 April, Aqua would see if it could extend it by one more month. So, Aqua didn't say the payment holiday would be extended.

When Mr S contacted Aqua on 16 April, the agent said the payment holiday couldn't be extended because he had already taken the maximum possible number of payment

holidays. Mr S asked what other support Aqua could offer. The agent said that Aqua needed to ask a few questions to gain a better understanding of his circumstances to help work out what support would be appropriate. Mr S said he would have to call back the next day. So, I find that Mr S knew on 16 April that the payment holiday couldn't be extended beyond 21 April. He also knew that Aqua might be able to offer alternative support, but he would have to contact Aqua and provide information about his circumstances if he wanted to pursue that.

I find that Mr S didn't contact Aqua again until 22 April. The payment holiday had expired by this time. There was no agreement in place for it to be extended beyond 21 April. So I think it's reasonable that it expired on that date.

Aqua has confirmed that its Customer Services and Collections departments were open on 21 April. So, the fact that it was a bank holiday didn't prevent Mr S from contacting Aqua. But, even if he'd made contact with Aqua on that day, I think it's unlikely the payment holiday would have been extended. That's because I think Mr S had already taken the maximum number of payment holidays Aqua would allow at that time, as he was told on 16 April.

I find that Mr S didn't make any payments to his account before the payment holiday expired. And he hadn't contacted Aqua to put alternative support in place. I don't think the bank holiday prevented Mr S from paying off the arrears on his account. And I think he had the opportunity to make a payment – or an arrangement with Aqua – before the payment holiday expired. In light of this and looking at the overall picture of Mr S's account, I think it was reasonable for Aqua to treat the account as defaulted when the payment holiday expired.

Mr S says that his financial circumstances were impacted by issues concerning a business account which he holds with another lender. He has complained about that lender and his complaints have been looked at by this service separately. Mr S says that the financial impact of those other issues directly contributed to the situation with Aqua. And he has provided details of other difficulties he encountered which caused him considerable disruption. I'm sorry to hear about these difficulties and I'm grateful to Mr S for sharing this information. But I'm afraid it doesn't change my mind about his complaint about Aqua.

Some of the issues Mr S has described happened after his Aqua account had defaulted, so they didn't contribute to the default. And I don't think the other matters affected his account with Aqua, which is held in a personal capacity. I've considered the information which Mr S has provided about his dispute with the other lender, including the outcomes of the other complaints. I know Mr S feels strongly about these issues, but I don't think they caused his Aqua account to default. In any event, I think Mr S had the opportunity to seek alternative support from Aqua before the account defaulted.

I'm sorry to disappoint Mr S. But what I'm looking at here is whether Aqua acted fairly and reasonably in all the circumstances of this complaint. I think it did. Aqua says it did make some mistakes in its handling of two communications with Mr S. It has offered him £100 as an apology for this, which I think is fair. But I don't think it needs to do any more.

### **My final decision**

NewDay Ltd trading as Aqua has already made an offer to pay £100 to settle the complaint and I think this offer is fair in all the circumstances. So my decision is that NewDay Ltd trading as Aqua should pay £100 to Mr S.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr S to accept or reject my decision before 23 October 2025.

Katy Kidd  
**Ombudsman**