DRN-5777503

The complaint

Mr L complains about the amount of interest that NewDay Ltd charged him on his Aqua credit card account.

What happened

In November 2024 Mr L took out a credit card with NewDay and entered into a credit agreement.

Mr L thought the card had a promotional interest rate of 0%.

Mr L noticed that interest had been applied to the account. He believed that the interest was incorrect and complained to NewDay.

NewDay issued a final response on 17 February 2025 in which it didn't uphold the complaint. It said that the standard interests rate applied to the card and the full statement balance needed to be paid by the payment due date to avoid interest being charged. As a gesture of goodwill NewDay refunded interest of £40.88 charged on 26 January 2025.

Mr L remained unhappy and brought his complaint to this service.

Our investigator didn't uphold the complaint. He said the terms and conditions of the account clearly stated the interest rate applicable to purchases and there was no evidence to suggest that NewDay had charged interest incorrectly.

Mr L didn't agree. He said that interest and late payment charges applied to the account and that he'd received poor customer service from NewDay.

Because Mr L didn't agree 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 know it will disappoint Mr L, but I agree with the investigator's opinion. I'll explain why.

I've reviewed the terms and conditions of the account. These set out the interest rates applicable to purchases, cash transactions, balance transfers and money transfers. There is no promotional rate of 0% interest applicable to any of these.

I've also reviewed Mr L's monthly statements. The second page of the statement sets out the interest rate applicable to purchases. Theres no promotional rate of 0% mentioned.

The statement also sets out the estimated interest to be charged the following month if the statement balance isn't paid in full by the payment due date.

I can see that Mr L's December 2024 statement showed an outstanding balance of £647.90

with a payment due date of 13 January 2025. Mr L didn’t pay the full balance by the payment due date so interest was applied to the account. I’m unable to say that NewDay has made an error here because interest has been applied in line with the terms and conditions.

Having considered all the available information I’m unable to find any evidence that NewDay has made an error or treated Mr L unfairly.

Mr L has also mentioned that he’s been charged late payment fees. I’ve reviewed the history of the account and I’m satisfied that these fees have been charged in line with the terms and conditions of the agreement.

My final decision

My final decision is that I don’t uphold the complaint.

Under the rules of the Financial Ombudsman Service, I’m required to ask Mr L to accept or reject my decision before 2 October 2025.

Emma Davy
Ombudsman