

The complaint

Mr J complains that his credit card account he held with NewDay Ltd trading as Aqua (“Aqua”) was incorrectly sold to a third-party debt collection agency.

What happened

Mr J held a credit card account with Aqua, which was opened in July 2018. Mr J said he was made aware that his account had been sold on to a third-party for collection due to arrears that had accrued.

Mr J was surprised to hear this as he said he thought his account balance was showing as zero on his credit file. Mr J also said that Aqua were aware of ongoing health issues he had and so he believed they shouldn’t have sold his account on to a third-party.

Mr J complained to Aqua and a final response was sent in February 2025, explaining that they didn’t think they had made an error and so didn’t uphold the complaint. Aqua explained that the contractual minimum payments towards the account hadn’t been made on time since around April 2021. They said that they sold the account to a third-party in line with the terms and conditions as arrears hadn’t been cleared.

Unhappy with Aqua’s response, Mr J referred his complaint to our service in August 2025.

Our investigator didn’t uphold Mr J’s complaint. In summary, he concluded that Aqua didn’t make an error.

Mr J disagreed and believed Aqua didn’t follow their own guidelines. Among other things, Mr J said that Aqua didn’t contact him for several years before the account was sold.

Our investigator explained that the guidelines Mr J had referred to were voluntary guidelines and that they didn’t remove Aqua’s rights to sell the account on if they wished to.

As Mr J disagreed with the investigator’s findings, the complaint was passed to me to decide.

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 done so, I’m not upholding this complaint and I’ll explain why below.

I’m aware I have summarised events and comments made by both parties very briefly, in less detail than has been provided, largely in my own words. No discourtesy is intended by this. In addition, if there’s something I’ve not mentioned, it isn’t because I’ve ignored it. I haven’t. I’m satisfied I don’t need to comment on every individual point or argument to be able to reach what I think is a fair outcome. Our rules allow me to do this. This simply reflects the informal nature of our service as an alternative to the courts.

Mr J complains about a credit card supplied to him under a credit agreement. Entering into consumer credit contracts such as this is a regulated activity, so I'm satisfied I can consider Mr J's complaint about Aqua.

My role in this complaint is to consider whether Aqua acted fairly and reasonably in selling Mr J's account to a third-party.

Mr J believes Aqua shouldn't have sold his account on to a third-party. And in making his submissions, he referenced The Lending Standards Board ("LSB") and their Standards of Lending Practice for personal customers.

Alongside the standards set out by LSB (which their website says are no longer in operation), I've also considered all other relevant guidelines and standards, such as the Financial Conduct Authority's Consumer Credit Sourcebook ("CONC") and the Finance and Leasing Association ("FLA") lending code.

In this instance, it isn't in dispute on whether Aqua were aware of Mr J's personal circumstances. I say this because Aqua has informed our service that they placed Mr J's account on hold in October 2021 due to considering Mr J a vulnerable customer.

Ultimately, a lender should treat a customer in financial difficulty fairly. So, I would expect a lender to listen to their customer, to get an understanding of their personal circumstances. And I would also expect a customer or borrower to cooperate with a lender as well.

Aqua has explained that Mr J's credit card account he held with them was terminated in December 2020, but there was still an outstanding balance left to pay. Aqua also explained that a pending arrangement was put in place in 2021, with the intention of a payment plan being set up when the first payment was received. However, Aqua didn't receive a payment, therefore the plan was removed. Later, as a result of non-payment, Aqua made the decision to sell the account to a third-party in July 2024, and it was then sold in November 2024.

In this instance, Aqua hadn't received any payment towards the account since April 2021. I don't think it is fair for a business to hold on to an account indefinitely, where no payment has been made for several years and there was no indication that payment was going to be made.

In the circumstances, I'm satisfied that Aqua acted in line with their terms and conditions in selling the account to a third-party to attempt to retrieve the funds owed.

I have also noted that Mr J has supplied snapshots of his credit file which suggest that the account was showing a zero balance. It isn't clear from the images supplied which credit reference agency or which website the information was taken from. But in any event, I think Mr J ought to have been aware that there was an outstanding balance left owing, considering a payment plan was attempted to be arranged, and no payment had been made for several years.

My final decision

For the reasons I've explained, I don't uphold this complaint. So, I don't require NewDay Ltd trading as Aqua to do anything more here.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr J to accept or reject my decision before 4 March 2026.

Ronesh Amin
Ombudsman