

The complaint

Mr N complains that NewDay Ltd (“NewDay”) took payments from him in relation to a credit agreement that were higher than agreed. Mr N also complains that NewDay didn’t send him a copy of the credit agreement which meant he wasn’t able to review its terms or exercise his cooling-off right. Mr N is also unhappy that NewDay failed to consider his accessibility needs.

What happened

In May 2024, Mr N applied for finance with NewDay to repay the cost of goods he ordered from an online retailer. Mr N says he did this on the understanding that the agreement was interest-free with a £19.50 fixed minimum monthly payment and that he could pay anything extra on top of this if he was able to afford it. He then set up a monthly direct debit with NewDay and set it to £19.50.

Mr N subsequently noticed that NewDay had taken payments from him that were far in excess of £19.50, without any prior notification.

Mr N complained to NewDay about this, but they didn’t uphold it. They said they had applied interest to Mr N’s credit agreement correctly, and that they had sent him a letter in July 2024 which said they would collect any amount required to cover the contractual monthly payment, if Mr N’s fixed amount didn’t cover this. NewDay also mentioned they had refunded interest accrued under the agreement in February and March 2025 to the account as a gesture of goodwill.

Investigator’s outcome

Mr N wasn’t happy with NewDay’s response and so he referred his complaint to us. Our investigator didn’t recommend that it should be upheld. He didn’t think there was sufficient evidence to show that the purchase he made was interest-free. And he didn’t think NewDay had failed to consider Mr N’s vulnerabilities appropriately.

Mr N didn’t agree and so his complaint has been passed to me for a decision. .

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 won’t be upholding Mr N’s complaint. I’ll explain why below.

Correspondence between NewDay, the retailer, and Mr N

Mr N has sent us several e-mails he received from the retailer and from NewDay during the application process.

I’ve looked at these but haven’t seen anything within these that confirmed that the purchase would be interest-free.

Nor have I seen any evidence within these e-mails that set out that Mr N was entering an arrangement whereby he would pay for the purchases he made in instalments of £19.50. I've seen that NewDay sent Mr N an e-mail on 24 June 2024 which mentions that Mr N had requested that payments were set at £19.50. In my view though, that e-mail simply confirmed that Mr N had arranged to set his payment at that amount. That's not the same as there being an agreement in place between NewDay and Mr N that payments would be fixed at that amount under an instalment plan.

I note also that NewDay sent Mr N a letter on 5 July 2024 confirming they had set up a direct debit for him, described as 'Fixed direct debit plus'. The letter sets out that:

'Your Fixed Direct Debit Plus will pay an amount of your choice. If your fixed amount is not enough to cover your payment requested, including any monthly instalment amount (where applicable) and any optional recommended extra payment (when shown on your statement), we will collect that amount unless you tell us you do not want to pay the recommend extra payment'

That essentially is what happened here, in that the contractual minimum payments shown on Mr N's statements following the purchase he made, were higher than the amount he had set for NewDay to collect each month. I appreciate Mr N says he didn't receive NewDay's letter of 5 July 2024. However, the letter was sent to Mr N's correct postal address. It may be that Mr N didn't receive this, and I have no way of knowing whether that was the case. But NewDay did in this letter set out they would collect the full contractual minimum payment from Mr N, if his fixed direct debit amount wasn't enough to cover this. So, I think they did clearly explain how specific payments Mr N was proposing to make would be treated by them.

The copy of the credit agreement

I also note that Mr N says that NewDay didn't give him a copy of the credit agreement, so that he could fully review the terms of this and potentially exercise his cancellation rights. I understand that Mr N applied online and that NewDay set up an online account for him to view key documents and statements. If that's true (and I've not seen anything to doubt this), then I do understand Mr N's point that he wasn't given the opportunity to fully review the proposed credit agreement before agreeing to its terms, as NewDay specifically didn't send this to him.

However, I've looked at a copy of the credit agreement, and I don't think it's likely that Mr N would have been dissuaded from entering this anyway. I say this because the agreement sets out a lot of general information about how payments could be made, such as for example how instalment plans and Buy Now Pay Later plans work. I think Mr N believed he was already on an instalment plan with a fixed monthly payment, so I don't believe the information in the credit agreement would have led him to think any differently. And, as I've mentioned, I've not seen sufficient evidence that an instalment plan was agreed and should have been put in place.

How NewDay considered Mr N's vulnerabilities

I've considered what Mr N has said about his vulnerabilities and that he feels NewDay failed to offer an accessible format for him during the application process. I'm sorry to hear about how this has impacted Mr N. But I haven't seen any evidence that NewDay were, or should have been, aware of Mr N's vulnerabilities during the application process. So, I can't reasonably say they failed to consider these appropriately.

I'm sorry to disappoint Mr N, but I haven't seen sufficient evidence that NewDay made any errors about how the credit agreement would work, or that they failed to treat him appropriately as a customer with vulnerabilities.

So, for the reasons I've set out above, I won't be upholding Mr N's complaint.

My final decision

I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr N to accept or reject my decision before 20 February 2026.

Daniel Picken
Ombudsman