

The complaint

Mr N complains about the way NewDay Ltd (“NewDay”) dealt with his attempt to pay his credit card balance with a bill of exchange.

What happened

Aside from setting out Mr N’s complaint, I won’t repeat all the facts of the case here, as those aren’t in dispute. Instead, I’ll focus on the reasons for my decision.

Mr N says he submitted a bill of exchange to NewDay, in order to pay the balance on his credit card account. However, NewDay didn’t credit Mr N’s account.

According to NewDay, as Mr N hadn’t made a payment on his account since November 2024, it went on to default and terminate the account, in February 2025. NewDay said it had correctly reported missed payments and registered a default with the Credit Reference Agencies (“CRAs”). The debt was subsequently sold.

Whilst Mr N raised several complaint points, he later clarified with our service, that his complaint was that NewDay:

- Didn’t return the bill of exchange Mr N sent to it.
- Continued to pursue the debt even after he’d stated his intentions.
- Closed his complaint about the matter because of a separate legal claim.
- Claimed there was active legal action when the case was stayed.
- Refused to provide him with a Deed of Assignment to substantiate its legal right to pursue the debt.

Because the parties couldn’t agree, the matter has been 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 sorry to disappoint Mr N but I’m not upholding his complaint – I’ll explain why.

Before I do so, Mr N makes several points which appear to be based on legal technicalities or some interpretation of certain Acts and laws, which he says support his position. We’re here to provide an informal dispute resolution service, and while I’ll take relevant law, best industry practice, regulation and rules into account; it isn’t my role, nor that of our service, to resolve legal queries of that nature. With this in mind, whilst Mr N has raised several points, I’ve only focused on what I consider to be the crux of the complaint.

I know Mr N sees this differently, but a bill of exchange is essentially a ‘promissory note’. I’ve noted his reasons for why he thinks NewDay should have accepted his promissory note. But

I can't see anything to support his view, and there's nothing which makes me think NewDay has dealt with this matter unfairly or unreasonably.

The promissory note Mr N tried to use to pay his account, isn't legal tender. It isn't money at all, instead, it's just a promise to pay a sum at a future date. The reality is that the note isn't a form of payment and NewDay is under no obligation to accept it as such.

It's up to NewDay to decide what means of payment it will accept. In its terms, bills of exchange aren't included as an acceptable method of payment. So, I don't think it's unreasonable that NewDay didn't accept the bill of exchange as a way to settle the debt.

It follows then that NewDay doesn't have to accept the bill of exchange over any other binding agreement that it may already hold with Mr N – like the terms and conditions he agreed to when he took out the loan.

I have considered Mr N's points on why he thinks his promissory note should be binding on NewDay – in light of the Bills of Exchange Act 1882 and other legislation – even when the lender hasn't accepted it. But I still don't think NewDay is under any obligation to accept the note, nor do anything more than it's already done here, for the same reasons I've outlined above.

It seems NewDay didn't initially contact Mr N about the Bill of Exchange, nor return it to him. It also appears NewDay didn't respond to some other letters Mr N sent, in relation to the matter. Which Mr N is unhappy about. He has said this left him in some doubt about the status of his account and that he had to chase matters. I'm not persuaded by this, however. The way in which Mr N could make payment on his account was already set out in the terms as well as on his credit card statements. And, given bills of exchange aren't included, I think it would have been reasonable for Mr N to have checked with NewDay before attempting to use one to pay his balance. Moreover, amongst other things, NewDay told Mr N in January 2025 that it wasn't accepting the bill of exchange as payment. So, I don't think it's reasonable to say that Mr N lost out, simply because NewDay didn't return the bill of exchange nor responded to all of his letters, following this correspondence.

I'm also not persuaded that NewDay should have stopped pursuing the debt after Mr N says he'd stated his intentions, as he's suggested. Relevant to this complaint, CONC 7.14.1R – sets out that debt recovery must be suspended where the customer disputes the debt on valid grounds – or what may be valid grounds. Even if I accept Mr N was disputing the debt owed on valid grounds, (which I'm not necessarily persuaded he was, given he ought to have known what methods of payment were acceptable) I'm satisfied that NewDay met its obligations in relation to CONC 7.14. By subsequently explaining, as early as January 2025, that it wasn't accepting the bill of exchange as payment, giving its reasons why and explaining the debt was still outstanding.

Also relevant to this complaint, CONC 7.5.3 says: *"A firm must not ignore or disregard a customer's claim that a debt has been settled or is disputed and must not continue to make demands for payment without providing clear justification and/or evidence as to why the customer's claim is not valid."* But for the reasons explained above, I'm satisfied NewDay provided clear justification for why Mr N's claim that the debt had been settled, wasn't valid.

NewDay was therefore entitled to continue with recovery of the debt, irrespective of whether Mr N continued to dispute it.

There is also no obligation on NewDay to stop recovering the debt, simply because there's an ongoing complaint. So, I don't think it acted unreasonably here either.

As repayments weren't made in line with the terms and conditions of the account, Mr N's account was defaulted and recorded with the CRAs. Given what I've said above, I don't think NewDay acted unreasonably or unfairly here either. It was entitled to collect an outstanding debt, owed to it.

As our Investigator has explained, Mr N's complaint about the way NewDay handled his complaint, isn't something our service can consider. That's because we can only consider complaints about activities which fall under the scope of our jurisdiction. And complaint handling isn't one of them.

Similarly, I also agree with our Investigator that NewDay initially objecting to our service considering this complaint because it said there was an active legal claim on the matter, is outside the scope of what we can consider. For similar reasons to what I've said above. But in any event, I thought it would be useful to set out the process for Mr N and explain this further.

Mr N has said this service must rule on whether a misleading statement to a regulator is an act of fairness. To be clear, this service is not a regulator – we are an impartial dispute resolution service. So, the FCA rules Mr N refers to are not relevant here. For every case, our service must decide if we can - or should - consider the complaint. An active court claim may mean we won't consider it. But here, we were able to establish the claim had been stayed and moved forward with Mr N's complaint, despite what NewDay had said. So, considering whether our service can look at this complaint is simply part and parcel of our procedures. Given Mr N had started a court claim against NewDay in relation to this matter and that it is our responsibility to ensure we're able to consider a complaint, it's likely our service would have sought evidence the claim had been stayed in any event – irrespective of whether NewDay had said the court case was ongoing or not.

Mr N has raised some additional points, following his referral to this service, including the fact the debt has been sold and that he hasn't received a Deed of Assignment. These are points which NewDay hasn't yet had the chance to respond to – and therefore, as our Investigator has pointed out, they won't form part of this complaint. Mr N will need to refer those issues to NewDay before bringing a further complaint to our service.

Overall, for the reasons explained, I don't uphold this complaint.

My final decision

My final decision is that, for the reasons explained, 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 11 March 2026.

Sophie Kyprianou
Ombudsman