

## The complaint

Mr E complains that NewDay Ltd trading as Aqua have re-debited the cost of a disputed transaction and it has charged him interest on the re-debited amount.

## What happened

Mr E purchase some flights for himself and his family. He, and his family weren't able to board the final leg of their return flight and so Mr E raised a chargeback to NewDay for a refund of the cost of the flight tickets. NewDay initially credited Mr E's account with the cost of the tickets while it looked into the chargeback. However, after investigation, it decided not to proceed with the chargeback and so it re-debited Mr E's account with the cost of the tickets.

When Mr E raised his chargeback claim, he also asked NewDay to close his account, which NewDay actioned. However, when the ticket costs were re-debited to the account, the account was closed, and Mr E didn't think it fair that NewDay were able to re-debit a closed account. He also complains that NewDay has charged interest on the re-debited amount.

I previously issued a jurisdiction decision on this case, setting out what parts of Mr E's complaint this Service can and can't consider. I have decided that this Service can consider Mr E's complaint about the interest that was applied to his account in relation to the re-debited transaction. However, I explained why I can't consider the main crux of Mr E's complaint about NewDay not refunding him for the tickets, and it re-debiting his account when it had been closed. The rest of this decision will refer only to the interest applied to the re-debited transaction.

NewDay replied to Mr E's complaint about the interest, and in summary explained that it had applied interest in line with the terms and conditions of his account. However, as a gesture of goodwill, it refunded the interest charges it applied in October 2024 and November 2024. It also agreed to pay Mr E £30 because it hadn't responded to an email he had sent it in August 2024.

An Investigator considered the evidence provided by both parties, but they didn't uphold Mr E's complaint. They felt that it was fair and reasonable for NewDay to have applied interest to the transaction once it had been re-debited to Mr E's account. They also felt that the £30 compensation NewDay offered Mr E was enough to reflect the impact of it having not responded to an email.

Mr E didn't agree with the Investigator's view. I have summarised the parts of his response that are relevant to what I can consider. Essentially, Mr E has said that it was unreasonable of NewDay to have applied interest to his account because it was closed. He said that the interest should have been frozen while his complaint was being investigated, and he repeatedly asked NewDay to do this. Mr E also said it was unreasonable of NewDay to have passed his account to a debt collection agency while his complaint with this Service was ongoing – and he says the debt collection agency have harassed him with daily calls.

Because an agreement couldn't be reached, the complaint has been passed to me to decide on the matter.

### **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 considered all of the evidence available, I don't uphold Mr E's complaint. I appreciate this will come as a disappointment to him; however, I will explain how I have reached my outcome below.

When NewDay re-debited the transaction relating to the flight tickets on 13 September 2023, this left Mr E with an outstanding balance on his account.

I have had a look at the general terms of Aqua credit card accounts, information available on Aqua's website. This confirms that interest will be applied to balances on the account – what rate this is at depends on the type of transaction made. While I accept that these are general terms and conditions and not the specific ones that apply to Mr E's account, I find it more likely than not, that the terms of Mr E's agreement with Aqua stated that he would be required to pay interest on the balances on his account.

I've also seen copies of statements that were sent to Mr E. This also shows that interest would be applied to balances on the account. Taking all this into account, I'm persuaded that NewDay acted in line with the terms and conditions of the account when it applied interest to the balance on Mr E's account.

I note that Mr E feels it unfair that NewDay applied interest, given that the account was closed at the time the transaction was re-debited. I'm sorry to disappoint Mr E but I don't agree. I haven't seen anything to suggest that NewDay said it wouldn't apply interest on a closed account. And given that there was a balance outstanding, regardless of the account being closed, I think it fair and reasonable that NewDay apply the interest charges that were in line with the original agreement.

It follows that I won't be asking NewDay to refund Mr E any interest that has been applied in relation to the re-debited transaction.

I note Mr E is unhappy that NewDay didn't freeze the interest while this Service considered his concerns. There's no requirement for NewDay to have stopped applying interest while the complaint was ongoing, and in the circumstances, I don't think this was unreasonable.

I can see Mr E has also raised concerns about the length of time it took NewDay to investigate his concerns. It isn't clear here if he means the time it took to give him an outcome to his claim, or how long it took to give him an answer to his complaint; but either way, I haven't seen anything to suggest that NewDay took too long to consider matters.

Mr E also explains that he feels it unfair NewDay has passed his account to a debt servicer. Because NewDay hasn't considered this part of Mr E's complaint, I haven't commented on its actions here. But in general, it wouldn't be unfair or unreasonable of a firm to continue with collection activity while a complaint is ongoing – this would include defaulting an account due to non-payment and/or passing an account to a debt servicer. If Mr E has concerns about how NewDay has handled things here, he will need to raise these with NewDay in the first instance. I'd also like to make it clear here that any concerns the frequency of contact from the debt servicer, would need to be directed to the debt servicer.

Finally, I have considered whether the £30 NewDay has offered to pay Mr E for not responding to an email is enough in the circumstances. When taking into account this Service's published approach to distress and inconvenience awards, and the impact of this to Mr E; I'm satisfied that the £30 is enough.

### **My final decision**

For the reasons set out above, I don't uphold Mr E's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr E to accept or reject my decision before 12 February 2026.

Sophie Wilkinson  
**Ombudsman**