

## **The complaint**

Ms O complains NewDay Ltd trading as Aqua unfairly terminated her credit card account.

## **What happened**

Ms O held a credit card account with Aqua. In September 2025, Ms O contacted Aqua as her circumstances had changed, meaning she wasn't able to maintain her contractual payments. A payment plan was agreed, where Ms O would pay £55 per month until April 2026, at this time Aqua would contact Ms O to review her situation.

On the same day, in September 2025, Aqua issued a notice of default, as Ms O hadn't made payments in August or September 2025. This set out that Ms O needed to pay £430.90 by 8 October 2025, or Aqua would look to terminate her account.

Ms O made a payment of £55 on 10 October 2025, in line with the agreed payment plan. However, as this didn't cover the arrears as set out in the notice of default, Aqua proceeded to terminate the credit card account.

Following this, Ms O raised a complaint. She said she'd been open with Aqua about the challenges she'd been facing and while setting up the payment plan there was no discussion that her account could be terminated. Had Aqua made Ms O aware of this, she says she would have acted differently.

Aqua doesn't agree it was wrong to terminate Ms O's credit card account. It says it did so in line with its internal policies. Aqua however apologised that it hadn't explained Ms O's account could be terminated due to the existing arrears, when agreeing the payment arrangement. Aqua applied a £40 credit to Ms O's account to apologise for this.

Unhappy Ms O referred her concerns to the Financial Ombudsman. One of our Investigator's looked into what happened and empathised with the challenges Ms O had faced. She agreed Aqua could have done more to make Ms O aware her account could be terminated, but overall found Aqua was reasonable in the steps it had taken. Our Investigator found the compensation of £40 reasonable in the circumstances, so didn't recommend Aqua do anything further.

Ms O disagreed with our Investigator's opinion. She said Aqua had failed to meet its regulatory obligations, including those for vulnerable customers and says she was denied the right to make an informed choice.

As the matter wasn't resolved, the complaint 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.

I've given consideration to the relevant rules and regulations applicable to this complaint including Consumer Duty and the Equality Act 2010 and while I may not comment on

everything (only what I consider is key) this is not meant as a discourtesy to either party, rather reflects the informal nature of our service.

Having done so, I've reached the same conclusions as our Investigator for broadly the same reasons. I appreciate this answer will likely come as a disappointment to Ms O, however while I agree Aqua could have done more to manage her expectations about what may happen to her account, I haven't found it was wrong to terminate it, in the manner it did.

I've started by reviewing whether Aqua's decision to terminate Ms O's credit card account was reasonable.

Ms O wasn't able to make her August or September 2025 monthly payments, meaning her account was in arrears. Following this Aqua issued a notice of default on 17 September 2025, which I find was in line with industry standards. This set out that the account was in arrears and what Ms O needed to do to prevent the account from being terminated, as I'd expect.

The notice of default explained that Ms O needed to make a payment of at least £430.90 by 8 October 2025. As Aqua didn't receive a payment as set out in the notice of default, I think it was then reasonable in its decision to terminate Ms O's credit card and I haven't found it made an error in the process that it followed.

I appreciate Ms O had set up a payment arrangement during this period, however due to the level of arrears on Ms O's account, Aqua had already begun recoveries action, including issuing the notice of default. And while Aqua made the decision to close Ms O's account, this didn't impact the payment arrangement, which remained in place.

I have however found Aqua could have done more to manage Ms O's expectations of what would likely happen with her account. I've reviewed the call Ms O had with Aqua to set up a payment plan in September 2025. In this call Ms O is open about her circumstances and it's evident that she wants to continue to pay down her balance, however her financial position has changed.

The advisor is sympathetic to Ms O's needs and sets up a repayment plan as I'd expect. While the advisor explains that should the account fall 60 days into arrears it would be terminated, I think they could have done more to explain to Ms O that this included any existing arrears on her account, rather than starting from the day of that call.

Had the advisor explained this to Ms O, I think she'd have had a better understanding of what would likely happen to her account. And the termination notice issued in October 2025, wouldn't have come as such a surprise.

I've taken on board Ms O's comments that she would have acted differently had she been made aware her account could be terminated. However, considering the evidence available, I'm not persuaded Ms O would have been in a position to act differently at that time. During the call, Ms O explains that her expenses were more than her income. Ms O also explains that her partner had borrowed funds from friends to ensure they were up to date with priority bills, such as rent and that they didn't have savings.

As a result, taking everything into consideration, I think it's more likely than not that Ms O wouldn't have been in a position to prevent the account closing, even had Aqua given a clearer explanation in the September 2025 call.

While I don't doubt it would have been upsetting for Ms O to be told this, I think the outcome is likely to have been the same, that Aqua would have closed the account in October 2025.

I've also considered Ms O's concerns that Aqua didn't treat her fairly, considering her circumstances. I would expect a firm such as Aqua to treat its customers positively and sympathetically if they're experiencing financial difficulties, and take their circumstances into account. This doesn't however mean Aqua is unable to close or terminate an account if the contractual payments aren't maintained.

While I appreciate Ms O may disagree, I find that Aqua did that here. It agreed an affordable payment plan, and while I know Ms O is unhappy with Aqua's decision to close her account, this meant no further charges were applied and the level of outstanding borrowing couldn't increase.

Added to this, I haven't seen that Aqua has recorded adverse information on Ms O's credit file, such as a default, rather it said as long as payments in line with the payment arrangement were made it would record that payments were up to date, which I find fair in the circumstances. Therefore, I haven't found Aqua treated Ms O unfairly or differently to others who may have found their circumstances similar to hers.

So, in considering what happened, I do agree Aqua made an error, it should have done more to manage Ms O's expectations in relation to what may happen to her account. However, had Aqua done this, I find it's likely Ms O would be in the same position, that her credit card account was terminated.

I therefore turn to what fair compensation is, to acknowledge the error Aqua made. In doing so, I must consider the specific impact of Aqua's error – being that it didn't manage Ms O's expectations, rather than the impact of termination of the account itself, which for the reasons explained above, I find was reasonable.

Aqua applied a £40 credit to Ms O's account, to apologise for not doing more to explain that due to the existing arrears her account was likely to close, even though she'd agreed a repayment plan. While I appreciate this won't take away from the disappointment Ms O has felt, I do find this is broadly in line with how our Service awards compensation, so I don't find that Aqua must then do anything further in relation to this complaint.

### **My final decision**

For the reasons I've explained above, I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms O to accept or reject my decision before 12 March 2026.

Christopher Convery  
**Ombudsman**