

The complaint

Mr E complains about the service he received from NewDay Ltd trading as Fluid in relation to his credit card account. In particular, he complains that it applied late payment fees and increased his monthly payments.

What happened

Mr E holds a credit card account with Fluid. In February 2024, Fluid moved his balance on to a four-year PayDown Plan. The monthly instalment under the Plan is included in Mr E's contractual minimum payment each month.

Since February 2025, Mr E has received several messages from Fluid saying that he has missed a payment. But he says he didn't miss any payments and doesn't know why Fluid contacted him about this or charged late payment fees. He also says that his monthly instalments keep increasing and so does the interest. He says that the payment dates aren't fixed and are sometimes brought forward by Fluid, which he doesn't think is fair.

Mr E contacted Fluid to query these issues. But he says it didn't clarify the position and refused to log his complaint initially. Fluid says that a complaint was raised in February 2025. It says it responded by email in March 2025, saying that it hadn't made any errors and wasn't upholding the complaint. But Mr E didn't receive the email, so he didn't think Fluid had responded to the complaint.

Mr E didn't receive a statement in March 2025. He says he made a payment for that month, but it wasn't recorded on his April statement. At the end of March, Fluid wrote to Mr E to say that his breathing space had come to an end. But Mr E says that he hadn't asked for breathing space, didn't know it was in place and doesn't know why it was put in place. He also says that his card was blocked.

Mr E says he contacted Fluid several times about these issues, but the contact was unsatisfactory. He says that Fluid didn't clarify the position. And he didn't think it had responded to his earlier concerns, so he asked for a complaint to be raised again.

Fluid wrote to Mr E in June to say that it was looking into the complaint. It wrote to him again in July and said it was sorry that he was unhappy with the decision it had provided previously, but its decision remained the same.

Mr E didn't think Fluid had answered his concerns and remained unhappy about the situation. He brought the complaint to this service. I issued a provisional decision on 23 January 2026 indicating my intention to uphold the complaint in part and direct Fluid to pay Mr E compensation of £150. Fluid accepted the provisional decision. Mr E accepted my findings but thought the compensation ought to be higher, providing further comments for me to consider. I'm now making a final decision about the complaint.

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 taken Mr E's comments into account and thought about everything again. I'm sorry to disappoint Mr E, but I haven't changed my mind about the amount of compensation which I think would be fair here. So, I'm going to uphold the complaint as indicated in my provisional decision. My reasons are set out below. As Mr E's complaint involves numerous issues, I've set them out under separate headings below for ease of reading.

The monthly payments and interest

There is a PayDown Plan in place on Mr E's account, under which he pays a fixed instalment each month. His statements say that the PayDown Plan instalment amount will remain the same for the full term of the plan. But Mr E complains that his monthly payment keeps increasing.

I've seen Mr E's statements for the period from January to August 2025. I find that the PayDown Plan instalment amount changed three times during that period. But each change was by only a small amount. And all the changes were reductions to the instalment (the most recent instalment amount I've seen being £39.43). So, the changes didn't cause any detriment to Mr E. And they weren't the reason why his monthly payments increased.

However, the PayDown Plan instalment amount is only part of the payment which Mr E must make each month. The PayDown Plan only relates to the balance which was outstanding on Mr E's account in February 2024, when Fluid set up the Plan. It doesn't include any spending or other transactions on the account since then.

Under the terms and conditions of Mr E's account, he must pay at least his contractual minimum payment each month. This isn't necessarily the same as the PayDown Plan instalment amount and can vary from month to month. Because Mr E is on a PayDown Plan, his contractual minimum payment each month will be (a) the amount of the PayDown Plan payment; plus (b) a proportion of any remaining balance owed that is not in the PayDown Plan. Part (b) is calculated to include interest on any balance which is not part of the PayDown Plan and any default fees added since the last statement date.

So, Mr E's monthly contractual minimum payment will sometimes be more than the PayDown Plan instalment amount. The minimum payment for each month is shown on his statements. The payment requested in the statements also includes any missed payments, which are payable immediately.

There were no new transactions on Mr E's account during the period I'm looking at. But interest and default fees were applied. I'm satisfied that's why the monthly payments which Fluid requested were sometimes more than Mr E's PayDown Plan instalment amount.

Missed payments and late payment fees

Under the terms and conditions of Mr E's account, his contractual minimum payment must reach his account by the payment due date shown on his statement. Payments will reduce his balance only when they reach his account, which might not always be on the same day as Mr E makes the payment.

Fluid explained this in its final response letter to Mr E in March. It said "*Your payment usually takes one working day, depending on the payment method. However, if you make the payment on a weekend or a bank holiday, it will be processed the next working day. It is usually a good idea to make the payment at least five working days before your payment due date; this gives enough time for it to be paid to your account.*"

Unfortunately, Mr E didn't receive this letter. But his statements do say that payments directly from his bank will take one working day to be credited and he will need to allow extra time over bank holidays.

The terms and conditions say that Fluid will charge a default fee if Mr E pays late or pays less than the contractual minimum payment.

Mr E's payments didn't reach Fluid by the due date in January and May 2025. On other occasions, even though the payments were on time, they were less than the contractual minimum payment. From the statements I've seen, I note that Fluid applied default fees in February, June, July, August and September. I think these were applied correctly, in line with the terms and conditions. But Fluid refunded two of the fees (in March and July), which I think was fair.

Where payments were late or less than the amount due, default fees were added to the contractual minimum payment for the following month. Interest was also applied to the outstanding balance. And any shortfall between the amount Mr E paid and the contractual minimum payment was also added to the following month's statement. So, this explains why the payments requested by Fluid each month varied and were sometimes more than Mr E was expecting.

Payment dates

Mr E says that the payment dates are sometimes brought forward by Fluid, which he doesn't think is fair.

Under the terms and conditions of Mr E's account, he has to make payment by the due date shown on his statements. This isn't the same date every month but, from the statements I've seen, it's usually within one or two days of the same date each month. I find that the payment due date is displayed clearly on the front of the statements.

I haven't seen evidence of any agreement that Mr E's payments will always be due on a particular date or the same date each month. So, I'm satisfied that Fluid acted in line with the terms and conditions when setting the payment dates here.

Suspension of Mr E's account

Mr E complains that his card was blocked from time to time, from February 2025 onwards. I find that it was.

Under the terms and conditions of the account, Fluid can suspend Mr E's use of his account if it reasonably believes that there is an increased risk that he may not be able to repay what he owes. The terms say this could be because he has not been making sufficient payments to his account and it reasonably believes that he may be in financial distress.

I asked Fluid about this and it confirmed that it restricted spending on Mr E's account when payments were overdue. I think that was reasonable in the circumstances. Some of Mr E's statements from February 2025 onwards state that his account has been suspended, so Fluid did tell Mr E about this.

In response to the provisional decision, Mr E said that Fluid declined his card each time he tried to use it and later said it was to protect his interests. I don't have any more information about this, so I'm not sure when these incidents occurred or whether they arose from security checks or the fact that Mr E's card was suspended under the terms and conditions.

Mr E says he suffered embarrassment whenever the card was declined and I don't doubt this. But, from the evidence I've seen, I think Fluid acted reasonably when it suspended his account as I've outlined above.

Breathing Space

Fluid has confirmed that breathing space was applied to Mr E's account from 28 February 2025 to 29 March 2025. But Mr E says he didn't know about this at the time and hadn't requested breathing space. From the evidence available, I don't think Mr E asked for breathing space. And I don't think he was aware that it had been put in place until afterwards as I haven't seen anything to indicate that Fluid told him at the time that it had applied breathing space.

Fluid has confirmed that Mr E's card was suspended while the account was on breathing space. I find that Mr E's card was already suspended when the breathing space began, because his account was in arrears. But Mr E made a payment on 9 March 2025 which brought the account up to date. So, the restriction on his card should have been lifted at that point. But, because of the breathing space, the card remained suspended until 29 March 2025. I don't think that should have happened because Mr E didn't know about the breathing space and hadn't been told his card would be suspended during that period regardless of any payments he made. However, I haven't seen anything to suggest Mr E tried to use his card between 9 and 29 March 2025.

I find that there were no fees or interest applied to Mr E's account during the breathing space, which I think was fair. And I don't think there was any negative impact on his credit file as a result of the breathing space.

Overall, I don't think Mr E was affected financially by the account being on breathing space. But I think it did cause some distress and confusion for him when he found out it had been put in place without his knowledge.

The missing March statement

The terms and conditions say that Fluid will give Mr E a statement each month, unless there has been no movement on his account. He complains that he didn't receive a statement in March 2025 and I find that no statement was produced that month.

Fluid says that no statement was produced because the account was on breathing space. It says that no payments were required during the breathing space, so a statement wasn't necessary. I don't think that was fair here. Mr E hadn't asked for breathing space and didn't know it was in place. And, despite the breathing space, there was activity on Mr E's account because he made a payment during the period.

Mr E's February statement said that his account was in arrears and requested payment by 12 March 2025. He made a payment on 9 March 2025 but wasn't able to see that this had been credited as he didn't receive another statement until 23 April 2025.

In addition, as Mr E hadn't received a statement in March, he didn't know what the payment due date was for April. Fluid says that no payments were required while the account was on breathing space. But, by April, the breathing space had ended.

Mr E did make a payment on 10 April 2025 and the statement issued later that month shows the account as being up to date. But he hadn't been told about the breathing space, didn't know how it would affect his account or the PayDown Plan and relied on the statements to find out when payments were due so that he could make manual payments.

It's not clear what would have happened if Mr E hadn't made the payments in March and April. But I think it's understandable that the lack of a statement in March caused confusion and distress for Mr E.

Service issues

Mr E is dissatisfied with the service he received from Fluid. He says he tried numerous times to get an answer to his queries and Fluid was never able to provide clarity. I haven't seen the full details of all the interactions, but I don't doubt Mr E's frustration.

However, I'm looking at the situation impartially and the evidence I have seen shows that Mr E did not always give Fluid the chance to explain: on one call, the agent offered to explain the arrears and try to resolve the complaint but Mr E said he didn't want an explanation and didn't want to resolve the complaint on the call. So, I don't think all the fault lies with Fluid in relation to the communication issues. But I do think it could have done more to help Mr E.

Mr E says that Fluid failed to respond to his complaint in a timely manner. I find that it responded to the complaint in March 2025, soon after it was raised. But Mr E didn't receive the response, and I think this should have been obvious from his subsequent contact. Fluid could have referred to or provided a copy of the final response letter at any point in its dealings with Mr E between March and July. But it didn't do so, leaving him to think it hadn't answered his concerns and keep contacting Fluid seeking answers. I think it's unlikely that Mr E would have been satisfied with Fluid's response even if he had received its letter in March. But it would perhaps have provided some clarity for him and avoided the need for him to contact Fluid again about the same issues. I think it would also have avoided some of the frustration, distress and inconvenience he experienced.

Conclusion

Overall, I find that Fluid operated Mr E's account correctly, in line with the terms and conditions.

Mr E says that the issues here affected his professional licensing rights and impacted his future access to credit. But I haven't seen evidence of any detriment he suffered. And I don't think Fluid was responsible for Mr E's late payments or any consequences which flowed from those. So I don't think there are any financial losses for which Fluid needs to compensate him.

But I don't think Fluid treated Mr E fairly in relation to the breathing space, particularly by restricting his account and failing to provide a statement during that time. I also think it could have provided a better service to Mr E, as I've outlined above. I think Fluid should pay Mr E some compensation for the distress and inconvenience he experienced as a result of these mistakes.

I've considered all of Mr E's points, including his comment that there should be a punitive sanction for Fluid. It's difficult to put a monetary value on the stress and inconvenience caused by a situation like this and every case is different. But our awards aren't intended to punish a business. Rather, they aim to reflect the impact of a business's mistakes and put that right, so far as possible. Mr E has explained how the situation affected him and I've taken that into account; the experience was frustrating, stressful and prolonged and it caused him inconvenience. But I'm looking at the situation impartially and I don't think all the problems he encountered were due to mistakes by Fluid.

Taking everything into account, I think £150 is a fair amount of compensation to reflect the impact of Fluid's mistakes. So, I'm going to direct Fluid to pay that to Mr E.

My final decision

For the reasons above, I uphold this complaint. NewDay Ltd trading as Fluid should pay compensation of £150 to Mr E.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr E to accept or reject my decision before 5 March 2026.

Katy Kidd
Ombudsman