

The complaint

Mr D has complained about NewDay Ltd holding him liable for a debt resulting from a credit agreement.

What happened

To reflect my role of resolving disputes quickly with minimum formality, I'll only briefly summarise what happened here.

In July 2020, NewDay agreed to open an account in Mr D's sole name which granted access to £1,500 of credit. Since it was opened the account has been used multiple times to buy goods including a fridge freezer, vacuum cleaner, a drill and a Nintendo console and game.

In July 2021, Mr D contacted NewDay to query the opening of the account saying he wasn't sure if he'd authorised the application - it looked like his wife had applied for the account without his knowledge and consent. Mr D decided to take no further action at the time.

Up until around July 2022 the required monthly payments to service the used credit were paid on time. But after this date there were missed payments which led to NewDay defaulting the account around February 2023. Mr D contacted NewDay in October 2023 to say his wife had opened the account in 2020 without his consent. NewDay said they could carry out a fraud investigation, but Mr D asked them not to do so. A similar conversation took place the following month.

In July 2025, Mr D asked NewDay to raise a fraud claim saying his now estranged wife had opened the account without his knowledge and consent. Mr D also told NewDay he'd been subjected to coercive behaviour and domestic and economic abuse by his wife – which had prevented him from reporting the matter sooner. NewDay responded by saying their investigation hadn't found any evidence of fraudulent activity. So, they said Mr D remained liable for the outstanding balance.

Unhappy with NewDay's final response, Mr D asked the Financial Ombudsman to consider the matter. Our Investigator didn't uphold the complaint. In summary, they said they didn't think NewDay had acted unfairly when opening the account, maintaining liability or recording adverse information. Mr D didn't agree with the Investigator's findings saying he didn't believe the Investigator had given sufficient weight to him being subjected to coercive and controlling behaviour and the threats and wider circumstances within the relationship with his wife. So, the complaint has come 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.

Mr D has raised several detailed complaint points to NewDay and this service. I want to assure Mr D and NewDay that I've reviewed everything on file. However, in my decision, I don't intend to refer to everything or address every point made. I mean no discourtesy by

this. If I don't comment on something, it's not because I haven't considered it, it's because I've concentrated on what I think are the key issues. Our powers allow me to do this.

I can consider this complaint because the issues Mr D is complaining about relate to a regulated credit agreement.

What I need to decide here is whether NewDay is fairly holding Mr D liable for the outstanding credit agreement balance (of around £1,100) and has fairly arranged for the missed payments and defaults to be registered on his credit record.

Coercive and threatening behaviour

Based on what I've seen, I'm satisfied there was nothing to suggest to NewDay at the point of application that Mr D may have been in a coercive and abusive relationship. It isn't disputed that the information NewDay received in 2020 relating to Mr D was accurate and correct. Mr D says this isn't surprising given his wife would have had access to those details. What Mr D is disputing is that he didn't have knowledge of the application at the point it was submitted to New Day and he didn't give actual consent or authority for the account to be opened. Given the passage of time, I understand why NewDay wanted to see more to show this was the case.

Even if I accept Mr D didn't give actual consent to the opening of the account, he did give implied consent for the purchases. I say this because it's clear Mr D was aware of the account from around July 2021. And given the nature of the purchased goods, I understand why NewDay concluded it was likely Mr D derived some benefit from them.

NewDay's records show Mr D did raise concerns about the account around 12 months after it was opened. But Mr D decided he didn't want NewDay to carry out a fraud investigation at the time. Mr D also asked NewDay not to do so in October and November 2023. It's possible this was due to the relationship Mr D had with his wife. But I think it was reasonable for NewDay to want to see more to show this was due to him being subjected to coercion and domestic and economic abuse by his wife. This is a very serious allegation. Unlike a court, I'm unable to summon witnesses for cross examination. And NewDay would have faced similar hurdles. So, it's difficult to reach firm conclusions in the informal forum that I'm able to investigate this complaint.

I think NewDay took account of all the information they received prior to them issuing their final response. And on balance, I don't think it was unreasonable for NewDay to conclude the evidence didn't show with enough certainty that the credit agreement was opened as a result of coercive and abusive behaviour by Mr D's wife. To be clear, it's not to say this didn't happen or that Mr D wasn't subjected to coercive and abusive behaviour by his wife. But, overall, I consider it was reasonable for NewDay to want to see more to show this.

NewDay has said they'd be willing to reconsider the outcome should Mr D be able to provide them with more information. I think this is fair, although I appreciate it seems Mr D has already provided all the information he currently has available. However, should Mr D's wife be found guilty by the courts of coercive and abusive behaviour in relation to the credit agreement then this is something Mr D could present to NewDay for their consideration.

It's my understanding Mr D is divorcing his wife. The divorce court can decide which party is responsible for repaying debts as part of a financial order, though it cannot directly alter contracts with lenders. The court considers whether debts are "matrimonial" (for family benefit) or "personal" (individual spending) when distributing assets and liabilities to achieve a fair outcome.

Registering of default

NewDay has provided copies of the multiple letters they issued at the time to make Mr D aware of the missed payments and the subsequent default notifications. Overall, I think NewDay did what I'd have expected them to do when notifying Mr D of the missed payments and what would happen if they weren't paid by a certain date – as set out by the Consumer Credit Act 1974 (CCA). I'm also satisfied this was in accordance with the default guidelines issued by the Information Commissioner's Office (ICO) - which says a default should typically be recorded when an account is three months in arrears, and generally by the time it's six months in arrears.

NewDay is obligated to report true and accurate information to the credit reference agencies. I haven't seen anything to show me NewDay told Mr D that they wouldn't report missed payments and defaults to the credit reference agencies. Nor have I seen anything to show that what NewDay has reported isn't accurate. In all the circumstances, I think it was fair for NewDay to pass on the missed payment information to the credit reference agencies. So, while I appreciate Mr D believes the loadings on his credit record are unfair and will have an impact on him being able to secure future credit, I don't require NewDay to remove them.

For the reasons I've explained above, I don't think NewDay acted unfairly when not cancelling the credit agreement and when requiring Mr D to pay the outstanding balance. However, I'd remind NewDay of the Financial Conduct Authority's requirement for firms to treat customers experiencing financial hardship with forbearance and due consideration. Mr D may wish to speak to NewDay to discuss a way forward, and if he thinks they treat him unfairly it might be something we can consider for him.

My final decision

My final decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr D to accept or reject my decision before 18 May 2026.

Carl Bibby
Ombudsman