

complaint

Mr D complains that although NewDay Ltd has passed his debt to a collection agency, it's still asking him for money. He doesn't want to be charged interest, and he doesn't want to be charged twice.

background

Mr D contacted us because he thought something had gone wrong with payments to a credit card he held, which was operated by NewDay. The debt had been put in the hands of a debt collector, so Mr D didn't think he should be charged interest any more, and he didn't think that NewDay should still be asking him for money. He didn't want to pay twice, and he didn't think this debt was anything to do with NewDay any more.

Our investigator didn't think this complaint should be upheld. He said that he thought that the debt collection agency was only collecting money for NewDay, but Mr D still owed NewDay money. And he couldn't see that NewDay was charging Mr D any interest.

Mr D said that wasn't right, if a debt goes to a debt recovery company then it's nothing to do with the original people any more. Our investigator wrote to him to say that he thought NewDay was asking another company to collect the debt for him, and it was allowed to do that under the terms of Mr D's account.

Mr D still didn't agree, so the case was passed to me for a final decision.

my findings

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint. I've reached the same overall conclusion as our investigator, and for broadly the same reasons.

Mr D started to have trouble with his credit card account late in 2018. The account is now suspended. He was last charged interest on 16 December 2018. I've looked at Mr D's statements, and the online banking screenshots he showed us, and I can't see that NewDay has charged any interest on this account since December 2018. I don't think NewDay is asking Mr D to pay interest on this debt.

Mr D also said that the account had been passed to a debt collection agency, so he didn't think it was anything to do with NewDay any more. But that's not right.

This debt hasn't been sold. Although it might be sold in the future, at the moment, Mr D still owes money to NewDay.

But NewDay doesn't want to keep asking Mr D for the money itself. So it's told a different organisation, the debt collection agency, to collect its money for it. That means Mr D should continue to pay that agency, and it will pass the money on to NewDay.

Because Mr D still owes the money to NewDay, it's not wrong for NewDay to write to him and tell him how much he owes it. I don't think NewDay has made a mistake about that.

I know that Mr D will be disappointed, but I don't think that his complaint should be upheld.

my final decision

I don't 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 12 September 2019.

Esther Absalom-Gough
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