

complaint

Mr M complains that NewDay Ltd sent him a letter about his credit card account when he thought it was closed. He says the account should have been closed when he paid off the balance in 2014.

Further he says his credit file has been affected because NewDay didn't close the account when it should've done.

He's unhappy that NewDay kept his bank details from a previous complaint. It then used these to pay him £20 in relation to this complaint.

Mr M explains all of this has caused him distress and inconvenience. He thinks the compensation he's been offered - £50 is not enough.

our initial conclusions

Our adjudicator agreed that the account should have been closed when the balance was paid off. There was no information to suggest that Mr M had asked for this. But since NewDay had put a block on Mr M using the account, he thought that this would've been the fair thing to do. And he thought this had caused confusion. He thought £50 was suitable compensation for this.

But he couldn't see how Mr M's credit file had been harmed by what NewDay had done. So he didn't think it was correct to ask NewDay to increase the amount it was offering.

NewDay accepted this recommendation. Mr M didn't. In summary he repeated his earlier points. Because Mr M was unhappy with the recommendation the complaint was passed to me to take a fresh look at it.

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 finished my review of Mr M's complaint and I don't think it is fair and reasonable to ask NewDay to take any further action. I explain below why I've come to this decision.

Both Mr M and NewDay agree that he did pay off the balance of his card. NewDay have told us that after this, it then stopped Mr M from using the card. So I think ideally, at that point, it would have been a good idea to close the account. So if I thought Mr M had experienced a loss because of this I'd expect NewDay to compensate him for this. I've looked at what happened to Mr M as a result of NewDay's actions and I cannot see that he did make a loss.

NewDay kept the account open and seemingly reported this to the credit reference agencies. The account had a zero balance and therefore there were no late payments, arrears or any other negative information being registered on Mr M's credit file.

Further the account was open and NewDay has an obligation to register accurate information with the credit reference agencies.

All in all I cannot see how anything NewDay did here either was unfair to him or had a negative impact on him. Nor do I see any fair reason to ask it to backdate the account closing date on his credit file.

NewDay shouldn't have kept Mr M's bank details. Mr M had given it these details for it to use with his previous complaint. He didn't give it permission to keep his details for any other reason. It's right that NewDay should compensate him for this. I think the £50 NewDay has offered is intended – in part – to make up for this mistake.

That said it's clear that Mr M was confused about whether the account was closed or not as it seems he did try to use the account after he paid off the balance.

In all of the circumstances I think the £50 NewDay has agreed to pay for this is a suitable award.

my final decision

My final decision is that NewDay Ltd should pay Mr M £50 for distress and inconvenience as it has already agreed to do.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr M to accept or reject my decision before 4 January 2016.

Joyce Gordon
ombudsman