

## **complaint**

Mr M's complaint against NewDay Ltd (NewDay) concerns how it handled his account when it knew he was going through difficulties.

## **background**

Mr M had a loan with NewDay. In 2017 he made it aware he was having some health difficulties which affected his work and income. Attempts were made to agree repayment plans, and for interest and charges to be put on hold, but each of these failed. This meant that Mr M's loan was defaulted and sent to a debt collection agency.

Mr M was unhappy with how NewDay had treated him. Specifically, he explained he'd told it about his difficulties in 2017, but until our service became involved it didn't acknowledge this was the case. He found this disingenuous and upsetting. He also said it wasn't true that NewDay had tried to help him. He said he himself made most of the contact, and had tried to set up payment plans. He also said he'd paid over £1,000 in interest on his account, and didn't think this was fair.

To resolve matters, he wanted his remaining balance to be written-off and for any adverse entries to be removed from his credit file.

NewDay didn't uphold his complaint. It showed us the repeated contact it had had with Mr M, including attempts to agree repayment plans, and then making him aware of the consequences of not sticking to these. Mr M had been offered a six-month repayment plan, but had called back in the first month asking for it to be cancelled. It said it didn't agree it had treated Mr M unfairly. It felt it had done everything that could reasonably have been expected.

As matters couldn't be resolved, Mr M brought his complaint to our service.

Our Investigator looked into matters, and while she sympathised with Mr M's circumstances, she couldn't agree that NewDay had made mistakes with his account, or treated him unfairly.

Mr M didn't agree. He maintained that NewDay had treated him poorly, and hadn't tried to help him. He asked for an ombudsman's review.

## **my findings**

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint.

Having done so, I'm in agreement with our Investigator that there's not enough evidence to convince me that NewDay treated Mr M unfairly, and specifically that it failed to help him when he was in difficulties.

I know my decision will be disappointing for Mr M. I'd like to say I'm genuinely sorry for what he's gone through, and I do understand that worrying about his NewDay account would only have added to his troubles. But that's not the same as saying that NewDay acted incorrectly or badly towards him.

I've looked at all the evidence, and I can see that NewDay did contact Mr M on numerous occasions to discuss his circumstances, and try to help him. It's also explained that when a repayment arrangement is agreed, but then the first repayment isn't made, the account falls back to being interest bearing, and charges would be applied. And Mr M was made aware of this. While it's unfortunate that Mr M wasn't able to fulfil the repayment plans (and this may well be for good reason), I can't criticise NewDay for what then happened. I can see it tried in good faith to reach reasonable and affordable plans, and that Mr M agreed. When the plans didn't then succeed, I can't say it was unreasonable for what happened to the account next. I'm satisfied that Mr M was aware of the consequences, and that NewDay was entitled under the terms and conditions to do what it did.

Mr M's particularly unhappy that NewDay initially denied being informed about his health and financial difficulties in 2017, only to later admit that it did actually know about them. I can see why this will have hurt and offended Mr M. But I haven't seen evidence to suggest that this was anything other than an honest mistake, with no malice or harm intended. Further, I don't think this had a bearing on what NewDay offered to do for Mr M at the time, so I can't say there was a financial impact on him. As such, I don't think it would be a proportionate response to ask NewDay to clear Mr M's remaining balance, or remove the loan from his credit file.

Overall, I can't say that NewDay failed to try to help Mr M, or treated him unfairly. I think it did what it could at the material times, with the information it had. Lenders have a duty to treat customers in difficulties positively and sympathetically. And I hope and expect that's what NewDay will continue to do here. I do appreciate that Mr M's had a difficult experience with NewDay, but I can't fairly say it was all NewDay's responsibility. I think it did what it could when it could. I think other factors stopped the repayment plans from succeeding.

I have to reach an outcome in this complaint that's fair to **both** parties. Asking for the balance of Mr M's loan to be written-off wouldn't be fair. He benefited from the money, and failed to adhere to the terms of repaying it. It also wouldn't be fair for me to ask NewDay to remove the loan from Mr M's credit file. This is because what's been recorded there is a true and accurate representation of how the account's been managed. And NewDay's obliged to report in this manner.

While I'm sorry to hear what's happened to Mr M, I don't have the evidence to say NewDay's treated him unfairly, and so I'm not going to ask it to take any further steps to resolve this complaint.

### **my final decision**

My final decision is that I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr M to accept or reject my decision before 2 April 2020.

Ashley L B More  
**ombudsman**