

complaint

Mr T is unhappy with the interest he's been charged on his credit card with NewDay Ltd t/a Aqua. And generally he's displeased with the customer service he's received.

background

An adjudicator has already considered this complaint. Overall she felt she wasn't able to uphold Mr T's complaint. She believed the interest charged was in accordance with the account terms and conditions. She also thought that Aqua offering to pay Mr T a further £50 compensation was fair and reasonable in the circumstances.

In light of Mr T not agreeing with this view, the case has now been referred to me for consideration.

my findings

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

Mr T claims he paid the amount he owed in full in order to maintain his credit file in good order. He says he shouldn't have been charged the extra interest.

I do appreciate that Mr T is very unhappy with this whole situation. But I'm afraid that I too agree with the adjudicator's findings, for broadly the same reasons.

As a responsible credit provider, Aqua had a duty to record Mr T's payment history accurately. Having considered all the evidence provided to this service, I believe they did this.

As I understand Mr T was granted a repayment holiday from 13 June 2018 to 12 September 2018. Mr T then paid off the balance on his credit card before the end of the agreed repayment holiday. As Mr T paid off the balance before the payment holiday ended, the interest was back dated to when the last payment was received. Interest was therefore applied to Mr T's account. I think the interest applied was in line with the terms and conditions of the account.

I note Mr T paid Aqua the outstanding sum in full on 27 December 2018. However in light of Mr T not making payments towards the account from 15 September to 27 December 2018, he was issued with a default notice on 20 December 2018. I can't say Aqua was wrong to do this as Mr T had breached his credit agreement.

I can't accept that any strongly worded letters from Aqua to Mr T were inappropriate. As the adjudicator has already pointed out, Aqua had regulatory responsibilities that they had to adhere to. A balance was outstanding on the account, so Aqua was entitled to contact Mr T for payment. And I can't say for sure that the actions taken by Aqua were the only contributing factor to other issues which Mr T then experienced with different banks.

I appreciate Mr T is very upset by the whole situation. Aqua has already credited Mr T's account with £20 as a gesture of goodwill. They've now agreed to pay Mr T a further £50 compensation in recognition of the service issues he has experienced. I believe this is fair and reasonable in the circumstances.

my final decision

My final decision is that NewDay Ltd t/a Aqua should pay Mr T a further £50 compensation.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr T to accept or reject my decision before 22 February 2020.

Robyn McNamee
ombudsman