

### **complaint**

Mr E complains about the interest applied to his account by NewDay Cards Ltd after he paid off the balance due.

### **our initial conclusions**

The adjudicator did not recommend that the complaint should be upheld. He was not persuaded that Mr E had asked NewDay to close his account. This meant that it did not have to advise him of any outstanding interest due.

Mr E does not agree. He says he is certain that he asked for his account to be closed.

### **my final decision**

To decide what is fair and reasonable in this complaint, I have considered everything that Mr E and the business have provided. Mr E rang NewDay in March 2014 to ask for his balance. He phoned again in April to pay this amount. Interest of £52.38 had however accrued between the two dates. This meant that Mr E had not actually paid off all of the outstanding balance when he made the payment in April. NewDay says that it would not have told Mr E about this additional sum unless he had told it that he wanted to close his account.

NewDay has been able to find a recording of the phone call from April but not from March. The recording confirms that Mr E did not ask to close his account when he made the payment in April. In light of this I do not find that NewDay was under an obligation to tell Mr E that there was still unpaid interest on his account. I consider that it was reasonable for it to assume that he may use the account in the future, and pay the outstanding sum due at some other date.

I appreciate that it may have been Mr E's intention to close his account, but on the evidence of the call recording, I am not persuaded that this was communicated to NewDay. It was entitled to apply the interest which had accrued when the promotional interest period came to an end on a balance transfer Mr E had made in 2012.

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

**Under the rules of the Financial Ombudsman Service, I am required to ask Mr E either to accept or reject my decision before 30 December 2014.**

*Rosemary Lloyd*

*ombudsman at the Financial Ombudsman Service*

The ombudsman may complete this section where appropriate – adding comments or further explanations of particular relevance to the case.

#### **ombudsman notes**

#### **what is a final decision?**

- A final decision by an ombudsman is our last word on a complaint. We send the final decision at the same time to both sides – the consumer and the financial business.
- Our complaints process involves various stages. It gives both parties to the complaint the opportunity to tell us their side of the story, provide further information, and disagree with our earlier findings – before the ombudsman reviews the case and makes a final decision.
- A final decision is the end of our complaints process. This means the ombudsman will not be able to deal with any further correspondence about the merits of the complaint.

#### **what happens next?**

- A final decision only becomes legally binding on the financial business if the consumer accepts it. To do this, the consumer should sign and date the acceptance card we send with the final decision – and return it to us before the date set out in the decision.
- If the consumer accepts a final decision before the date set out in the decision we will tell the financial business – it will then have to comply promptly with any instructions set out by the ombudsman in the decision.
- If the consumer does not accept a final decision before the date set out in the decision, neither side will be legally bound by it.