

## **complaint**

Mr E complains about the handling of his credit card account by NewDay Ltd (trading as Aqua).

## **background**

Mr E complains NewDay:

- overcharged interest on his account;
- applied an excessive minimum payment for no reason;
- increased his credit limit without his authority;
- increased the interest rate charged from 35.95% to 44.94% to 49.92% and then reduced it back to 35.95% without backdating interest charges; and
- had been rude to him on the phone.

Two adjudicators looked at Mr E's complaint. When the complaint first came to this service there was a misunderstanding and so I'll concentrate on the opinion of the second adjudicator. In the second adjudicator's view NewDay:

- had handled Mr E's complaint poorly but he didn't recommend Mr E receive compensation for this;
- had varied the interest rate charged on Mr E's credit card but was within its rights to vary the interest rate charged;
- did not have to backdate interest charged following a reduction on the interest rate charged; and
- appeared to have calculated the minimum payment correctly.

Mr E accepted much of what the second adjudicator said. But he asked for an ombudsman's decision, in summary, because he said:

- NewDay told him in its response it didn't increase the interest rate but the credit card statements show it did;
- the minimum payment increased while the balance continued to be reduced and NewDay still hasn't explained why; and
- NewDay did not address his complaint at all – it ignored his complaint entirely by stating that it did not increase the interest rate.

I was in agreement with the second adjudicator save for one point. So I issued a provisional decision to give everyone chance to comment before I reach my final decision.

## **my provisional decision**

In my provisional decision I said:

- I considered it was most likely the minimum payment calculations were correct;
- I was satisfied Mr E was informed of the interest rate changes and so at the time of the changes he wasn't misled;
- I considered NewDay had handled the complaint poorly at every stage and this had caused the level of frustration Mr E experienced.

I therefore proposed – subject to the comments of both parties – to order that NewDay pay Mr E £200 for the frustration and inconvenience he had suffered.

**responses to my provisional decision**

Mr E and NewDay agreed with my provisional decision.

**my findings**

I have considered all the available evidence and arguments to decide what is fair and reasonable in the circumstances of this complaint.

As both parties agree with my provisional decision I see no reason to depart from it.

**my final decision**

My decision is that I uphold this complaint. I order NewDay Ltd (trading as Aqua) to pay Mr E £200.

Under the rules of the Financial Ombudsman Service, I am required to ask Mr E to accept or reject my decision before 8 June 2015.

Nicola Wood  
**ombudsman**