

complaint

Mr G complains that NewDay Ltd gave him incorrect information about the balance on his account. He says as a result he's incurred additional interest, which he'd like waived and any adverse information recorded against his credit record removed.

background

On 16 August Mr G called NewDay to discuss the repayments on his credit card. He was offered a payment plan but decided not to accept this and instead to pay off the balance. He says he was given a figure by the advisor and paid this off in 2 instalments, paying £9,999.00 that day and £1,331.29 the next. His direct debit was then cancelled.

On 30 August NewDay wrote to Mr G to say his direct debit had been cancelled but that there was still an outstanding balance of £529 and setting out various payment options. No payment was made before the account was closed in November 2018.

Mr G says he asked what he needed to pay to clear his account and paid what he was told. He doesn't agree that there is any further money due and feels NewDay has been unfairly chasing him for payment.

Mr G's unhappy that what's happened has affected his credit score and has prevented him from obtaining credit elsewhere. He'd like any adverse information removed from his credit file. And he says he's had financial problems and feels NewDay hasn't taken this into account.

NewDay acknowledged that when Mr G called in, the advisor had given him the wrong information. It apologised for that and offered him £25 for the inconvenience. In addition it agreed to waive any interest added for September and October as well as removing any adverse credit markers for those months. It also refunded the late payment fee of £12 that had been added to his account.

But it didn't agree to waive all of the remaining balance. It said its letter of 30 August showed there was still an outstanding balance so Mr G would have known he needed to pay this off. It had written several times since then as well as providing monthly statements but Mr G hadn't made any further payments. As a result, interest was added to the balance in line with the account's terms and conditions. It didn't agree to refund this or to remove the information it had reported to the credit reference agencies but it offered Mr G a further £30 for the misinformation he'd been given.

Our adjudicator felt NewDay had dealt with the complaint fairly. Although it had given Mr G an incorrect figure when he called in, it had written to him shortly after and this letter had shown the amount still owing. And there'd been other letters since then so she felt Mr G was aware there was a balance outstanding. Mr G had had the benefit of this money so it wouldn't be reasonable to ask NewDay to write off. It had however refunded Mr G two months interest and a late payment fee as well as removing adverse credit markers for those months. She felt this was reasonable. And although negative information had been recorded against Mr G's credit file from November onwards, the information was an accurate reflection of what was happening on Mr G's account so she wouldn't be asking NewDay to remove it.

Mr G disagreed and asked for his complaint to be referred to an ombudsman.

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've come to the same conclusion as the adjudicator and for the same reasons.

I've seen Mr G called in to discuss his account. He was struggling with the payments and was looking for some options. But he didn't want to accept the payment plan so instead he decided to pay off the balance in full. Unfortunately as set out above, the advisor made a mistake and the figure she quoted was wrong. So although Mr G paid what he was told, this didn't clear the balance.

I can understand why Mr G feels unhappy at what happened. It was a mistake and it shouldn't have happened. Having said that however I can't agree NewDay is responsible for all the problems that have happened since then.

Mr G made his payments mid August. On 30 August NewDay wrote to him and in this letter it set out what was still owing on his account. At this point I'd have expected Mr G to have contacted NewDay to query this but he didn't do so. I've seen Mr G says he felt it was a mistake as the amount he'd paid matched what he calculated was due. But the statement of 9 August shows an outstanding balance of £11,859.32 which is significantly more than the £11,330.21 he'd paid to clear the balance so I can't agree the figures were broadly similar.

I've also seen that NewDay sent several letters and statements to Mr G after he'd made his payment, all of which showed there was still a balance outstanding. On that basis, and even allowing for the earlier mistake, I think Mr G would have known his account had not been cleared and that further payments were required.

I've seen that when Mr G complained, NewDay admitted its mistake and agreed to write off the interest for September and October as well as removing any adverse credit markers for those months. I think that was fair and took into account the inconvenience and confusion it had caused. But it also explained why there was still a balance on his account and what he needed to do to clear this. Mr G hasn't done so and for that reason I can't agree NewDay is wrong to take steps to obtain payment or to continue to add interest in line with the account's terms and conditions.

Mr G says what's happened has had a significant effect on his credit score and his ability to get other finance elsewhere. But at the end of the day, NewDay is required to ensure it provides accurate information about its customer to the credit reference agencies. As the information it's provided is correct, I can't reasonably ask it to remove this.

I've seen what Mr G says about his financial problems and I can understand this has been a difficult time for him. But once NewDay became aware of Mr G's financial problems in August 2018, it responded sympathetically and positively and offered him a repayment plan. I think this was reasonable and in line with what I'd have expected it to have done. Mr G decided not to accept and to repay most of the balance so I don't consider there was much more it could have done at that point. And I consider the steps it took to resolve the complaint were fair and reasonable.

I realise this isn't the decision Mr G was hoping for but for the reasons give, I think the steps NewDay has taken to resolve the complaint are fair. It's already put into effect the steps offered in its letter of 13 November but its now offered Mr G a further £30 for its initial mistake, which I see Mr G's accepted. That seems reasonable to me for the inconvenience caused and I'll be directing NewDay to pay this to Mr G if it hasn't already done so.

For the reasons given above, however, I can't agree NewDay should waive the balance outstanding or remove the information recorded against Mr G's credit file.

my final decision

My final decision is that I uphold Mr G's complaint in part and if it has not already done so, I direct NewDay Limited to pay Mr G a further £30 for the inconvenience caused by its mistake.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr G to accept or reject my decision before 10 May 2019.

Cerys Jones
ombudsman