

## **complaint**

Mr M has complained to NewDay Ltd (t/a Aqua) about his credit card account. He says it didn't lower the annual interest rate on his account in line with the promotional account opening offer.

## **background**

In early 2014 Mr M took out a new credit card with Aqua. The initial annual interest rate was 49.9% but a promotional offer meant that it would reduce by 5% each year for the first three years providing he made contractual payments and didn't go over his credit limit.

Mr M missed the deadline for several monthly payments and went over his credit limit. So Aqua didn't allow him the full interest rate reduction in line with the promotional offer. Mr M says the problems arose because of issues with Aqua's mobile app not working as it should.

Mr M is unhappy the promotional rate reductions have not been applied to his account, and says if he'd known that was the case, he wouldn't have accepted credit limit increases on his account.

One of our investigators reviewed the complaint and recommended it shouldn't be upheld. In summary, she said Aqua had not treated Mr M unfairly as it correctly applied the terms relating to the interest rate promotion. She also noted the problems Mr M says he had with the mobile app, but was unable to conclude Aqua was at fault.

Mr M disagreed. He responded reiterating that the problems making payments had been due to failures with Aqua's systems. He explained that he had tried to contact Aqua but it had no telephone or online presence during the evening time. On occasions where payments couldn't be made using the mobile app, he made the payment by telephone the following day. Mr M highlighted Aqua had refunded the late payment fees that were charged because they acknowledged it hadn't been his fault.

As no agreement could be reached, Mr M asked for an ombudsman to review everything afresh and to make a final decision.

## **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 reached the same outcome as the investigator, and for broadly the same reasons.

When reviewing a complaint if there is incomplete information or a disagreement about what happened, I'm required to decide what I think is most likely on balance. In doing that I take into account the wider circumstances of the complaint.

I appreciate why this issue is important to Mr M. The interest rate on his credit card account was reduced by 5% in only one of the three years set out in the account opening promotion. So this means that the effect upon Mr M is that his current rate is 10% higher than it otherwise would have been. It's clear that obtaining the rate reduction would be a considerable benefit to Mr M and so I think he would likely have tried to ensure he was able to obtain that benefit.

Mr M says that it was his usual practice to pay on the due date and not before, so had Aqua's systems operated as they should the payments would have been made on time. He says he tried to pay, but was unable to through no fault of his own. It's not disputed the payments were made late, and so for me, this is the key issue which is central to the complaint.

I can't be certain exactly what happened or why there were problems with payments being made on time, as there is no factual evidence to show this. Whilst I note what Mr M says about online payments not working, there are several other things which I've also considered.

- The same error happened on several occasions over a 2-3 year period.
- Mr M hasn't provided a screenshot or physical evidence to demonstrate the problems he experienced.
- There are no technical problems recorded which affected customers generally at the times Mr M was trying to make payments.
- Mr M did make payments by telephone the day after he says there were problems with the online payment process.

I've taken on board Mr M's comments that he tried to make the payments before the due date, but I also note that it's his responsibility to ensure a payment is made on time. Particularly as he says the issues occurred on more than one occasion and he knew that it's not possible to speak with Aqua by telephone outside of working hours.

Whilst I realise Mr M will disagree and likely be disappointed, overall I've not seen sufficient evidence to persuade me that Aqua has done anything wrong. Our investigator suggested the problems using the app could be as a result of Mr M's phone hardware or internet connection. Whilst I can't be sure, this is a possibility – but I note there were no problems affecting customers generally reported for those times.

It was a specific term of the promotional offer that Mr M made payments on time and didn't go over his credit limit. He didn't comply with that term and so I think it's reasonable for Aqua to not apply the interest rate reduction. Although Mr M says he was not responsible for the payments being late, I can't be sure of that, and I think after it happened the first time he would have been aware of the risks of making the payment attempt so close to the due date deadline. So overall, as I'm not persuaded Aqua has done anything wrong, it wouldn't be fair and reasonable for me to uphold the complaint now.

### **my final decision**

My final decision is that I don't uphold Mr M's complaint against NewDay Ltd (t/a Aqua).

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr M to accept or reject my decision before 30 April 2019.

Ross Hammond  
**ombudsman**