

complaint

Mr J complains that NewDay Cards Ltd (trading as Aqua) failed to put in place a payment plan he requested, added charges unfairly to his account and sold the debt on when he was trying to sort things out.

background

Mr J had a credit card with Aqua. When he found himself in financial difficulties in 2017, he wrote to Aqua suggesting a repayment plan. Mr J made a payment according to the repayment plan he'd suggested and then made a larger payment but he found charges were still being added to the account. He wrote to Aqua on several occasions about the situation. Aqua sent letters to Mr J asking him to call to discuss the arrears on his account but Mr J wanted to sort things out in writing so he didn't call. In early 2018 he stopped making payments on the account and the debt was sold to another company.

Mr J, represented by his wife, complained to Aqua saying it was unfair to apply charges to the account when a repayment plan was in place. Buy Aqua rejected the complaint as it said it hadn't agreed to the repayment plan. Mr J then came to this service but our adjudicator didn't think the complaint should succeed so he asked for review by 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. I can understand that it's been really frustrating for Mr J that Aqua didn't accept the repayment plan he suggested. But based on the evidence I have, I don't think the complaint should be upheld and I'll explain why.

Aqua did try to reach out to Mr J by asking him to call it on several occasions in response to his letters about the repayment plan. Mr J, through his representative, says he wanted to sort things out in writing, not by phone. But businesses often want to arrange repayment plans over the phone to make sure the plan is suitable and understood by the consumer. As Mr J didn't give a reason why a phone call would be difficult for him, I don't think Aqua was unreasonable to request a call.

Although Aqua could've explained itself better in its correspondence, I don't think it gave the impression the repayment plan was accepted. As Mr J made a larger payment in September 2018, it seems to me that he knew the repayment plan wasn't in place at that time. As there was no repayment plan agreed, I think it was reasonable for Aqua to apply charges to the account in line with its terms and conditions. The letters it sent to Mr J about the arrears also made clear that charges would apply.

Because Aqua wasn't able to speak to Mr J about his arrears over several months it sold the debt on. In the circumstances, as Aqua had repeatedly requested a call, I think this was reasonable.

my final decision

For the reasons given above, it's my final decision that this complaint is not upheld.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr J to accept or reject my decision before 25 May 2019.

Susie Alegre
ombudsman