

complaint

Ms V complains that NewDay Cards Ltd (trading as Topshop) closed her account without warning her, and is pursuing her for arrears.

background

Ms V had a Topshop account card. When she tried to use it in a shop in December 2015, she discovered that it wouldn't work anymore. She says she wasn't given any warning of this.

Ms V had previously used the card to make monthly repayments to the account in store. She hasn't made any repayments since December 2015. NewDay has continued to apply interest to the account. And it's applied a late payment fee to the account each month since February 2016. Ms V believes this is unfair. She says NewDay has prevented her from making payments to the account by cancelling the card. And she doesn't think it's fair that it's added late payment fees when it knows that she's raised a complaint. She'd like NewDay to reduce the outstanding balance to the level that it was in December 2015 and send her a new card.

NewDay says Ms V's account was a budget account. It decided to close all its budget accounts. And it says it sent Ms V 60 days' notice of closure. It's explained that Ms V's account is only active to receive payments. And it's pointed out to Ms V that there are other ways of making repayments to the account. These are listed on the back of her statements.

Our adjudicator didn't recommend that the complaint should be upheld. In summary, he said NewDay was entitled to close the account. And he was satisfied that it had sent notice of the closure to Ms V. He explained that he couldn't require NewDay to send Ms V a new card. And he couldn't tell it to write off the arrears on her account.

Ms V remains unhappy. In summary, she believes NewDay didn't write to her as she was only making the minimum payment each month, so didn't qualify for a new card. She's offered to pay the balance that was outstanding in December 2015 in full and final settlement. But NewDay isn't willing to agree to this, so the complaint has been passed to me.

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 conclusion as the adjudicator, for similar reasons.

NewDay is entitled to decide what accounts and facilities it's willing to offer. In this case it took a commercial decision to close the type of account that Ms V had. I acknowledge that Ms V says she wasn't given any warning of this, but I'm satisfied that NewDay wrote to her giving 60 days' notice that it would be closing the account. I can't fairly hold it responsible for any problems with the postal system.

Ms V is unhappy that NewDay has continued to apply charges to the account. But she wasn't disputing the balance outstanding. Her complaint was the NewDay had decided to close the account and her card no longer worked. She had the benefit of the money she spent using the account and NewDay was entitled to expect it to be repaid. I can see that making monthly payments using the card may have been the most convenient method for

Ms V. But other methods of making payments are clearly shown on her statements. Meanwhile, NewDay is entitled to apply late payment fees and interest to the account in line with the terms and conditions.

I understand that Ms V is unhappy that NewDay is sending her letters about the outstanding amount. But it is entitled to seek repayment. NewDay has explained that if Ms V is experiencing financial difficulties and would like it to consider a reduced payment plan, she will need to complete an income and expenditure form for it to assess. I consider that to be reasonable.

I'm sorry to disappoint Ms V, but I can't require NewDay to issue her with a new card or to write off all or any of the balance on the account. If she's experiencing financial difficulties, she may wish to contact NewDay with a view to completing an income and expenditure form, as it's suggested.

my final decision

My decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms V to accept or reject my decision before 25 August 2016.

Juliet Collins
ombudsman