

complaint

Mr T complains that NewDay Cards Limited (formerly Sav Credit Limited) removed his accrued cash-back and that it allowed transactions on his credit card account that took him over his credit limit. He wants charges applied for exceeding his credit limit to be refunded.

our initial conclusions

The adjudicator did not recommend that the complaint be upheld. Mr T had exceeded his credit limit twice. He thought that the terms and conditions of the account were clear that if Mr T went over his limit, then his cashback would be lost. He thought that the charges had been applied fairly. He reminded Mr T of his responsibility to manage his account within its limits.

my final decision

To decide what is fair and reasonable in this complaint, I have considered everything that Mr T and NewDay Cards Limited (formerly Sav Credit Limited) have provided.

Mr T exceeded his credit limit twice. The bank refunded his charge on the first occasion even though it had been applied according to the terms and conditions of the account. It did, however, cancel his accumulated cash-back, again according to terms and conditions of the account. When Mr T exceeded his limit again, it correctly applied a fee which it has declined to refund. I note that the bank made an error in applying a late payment fee and it has agreed to refund this. This fee would not have put Mr T over his limit for that month.

I conclude that the bank has not made an error in applying its charges and I cannot properly require it to refund these or reinstate Mr T's accumulated cash-back. The adjudicator has already explained to Mr T that because the credit card is a guaranteed form of payment, it is possible to exceed the credit limit. It is his responsibility to keep track of his spending so that he stays within his limit.

My final decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I am required to ask Mr T either to accept or reject my decision before 12 August 2014.

Phillip Berechree

ombudsman at the Financial Ombudsman Service

The ombudsman may complete this section where appropriate – adding comments or further explanations of particular relevance to the case.

ombudsman notes

what is a final decision?

- A final decision by an ombudsman is our last word on a complaint. We send the final decision at the same time to both sides – the consumer and the financial business.
- Our complaints process involves various stages. It gives both parties to the complaint the opportunity to tell us their side of the story, provide further information, and disagree with our earlier findings – before the ombudsman reviews the case and makes a final decision.
- A final decision is the end of our complaints process. This means the ombudsman will not be able to deal with any further correspondence about the merits of the complaint.

what happens next?

- A final decision only becomes legally binding on the financial business if the consumer accepts it. To do this, the consumer should sign and date the acceptance card we send with the final decision – and return it to us before the date set out in the decision.
- If the consumer accepts a final decision before the date set out in the decision we will tell the financial business – it will then have to comply promptly with any instructions set out by the ombudsman in the decision.
- If the consumer does not accept a final decision before the date set out in the decision, neither side will be legally bound by it.