

complaint

Mr L complains about the interest NewDay Ltd (trading as NewDay) charged him on his credit card.

background

Mr L opened his NewDay credit card account on 14 September 2017 with a three month interest free period on purchases. He said he made his first payment in October 2017 and later received his November statement with a minimum payment due by 21 December 2017. Mr L says from early December 2017 it wasn't possible to view his account online and he told NewDay about the problem. Mr L also says he couldn't view his December statement but made a payment of £400 by telephone. He says interest was charged on that statement that was later refunded but he was also charged interest of just over £90 the following month despite the log in problems continuing. Mr L believed the interest free period was for his first three statements.

NewDay doesn't accept making a mistake and says the interest free period ended on 14 December 2017. It says it initially upheld Mr L's complaint and refunded him the interest in December as a gesture of goodwill. NewDay says its statements and terms and conditions made clear the interest free expiry date and also says it wasn't aware of any log in issues. It says it correctly calculated the interest on the January 2018 statement.

Mr L brought his complaint to us but our adjudicator didn't uphold it. He thought the two statements made it clear when the interest free period ended and thought Mr L had been able to access his account online in November 2017. He also thought Mr L should reasonably have been aware of that date or contacted NewDay about it if he was unsure, and that the interest had been applied in line with the account terms and conditions.

Mr L doesn't accept that view and says that NewDay's systems went down for two months and would like the interest refunded.

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 overall conclusions as the adjudicator for the same reasons. I appreciate Mr L will be disappointed by my decision.

I've looked at the account terms and conditions as well as the first two account statements that I think Mr L was able to view. Having done so I'm satisfied that the three month interest free period ended on 14 December 2017, which was three months after the account was opened. I accept Mr L believed the expiry was on a different date but I'm satisfied NewDay hasn't made a mistake. I also think that expiry date was recorded on both statements. And on one statement in particular it was recorded, in what I think was fairly clear and large writing that the promotional offer was coming to an end. So I think it reasonable to have expected Mr L to have contacted NewDay if he had any queries about the end of the interest free period.

I appreciate Mr L says he couldn't access his account online and that he told NewDay about this problem. But I can also see from NewDay's records that it doesn't appear to have any recorded problems about this, and I would have expected to see some evidence of that on its records if there were such problems. On balance I think that NewDay dealt fairly with this

issue by refunding the interest for December in circumstances where I don't think it made a mistake. I also think that the main problem was that Mr L incorrectly believed the interest free period expired later than it did. And I think that he could reasonably have clarified matters with NewDay when he called it in December 2017.

Overall I don't think NewDay has made a mistake so I can't fairly order it to refund the interest as Mr L would like.

my final decision

My final decision is that I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr L to accept or reject my decision before 8 September 2018.

David Singh
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