

complaint

Miss E's unhappy with the way NewDay Ltd has dealt with her when she experienced financial difficulties and that it failed to answer her communications. She also says its lending wasn't responsible by increasing her credit limit.

background

NewDay said in its final response that as Miss E refused to give details of her income and expenditure it couldn't set up a formal payment plan as it didn't know if this would cause more financial hardship. And it can't reduce or remove interest on the account. It'd carried out checks before issuing Miss E's card and giving her an appropriate credit limit. The account was regularly reviewed and increased credit limits were offered which she didn't opt out of and accepted. It's lending was responsible.

Our adjudicator felt this complaint shouldn't be upheld. He said NewDay was entitled to ask for income and expenditure information before reviewing the agreement and Miss E's payments. In the meantime if it doesn't get full payments it will issue chaser letters and apply fees. It has refunded some fees but the default is a legal matter. NewDay did have eight weeks to respond to Miss E's complaint. She also had the right to reject NewDay's offers of an increased credit limit. NewDay doesn't appear to have acted outside the current rules or regulations. And he can't ask it to now reduce the amount outstanding on the debt as Miss E would like.

Miss E remains unhappy and has asked for an ombudsman review. In summary she says she thinks the income and expenditure forms are only used to help get more from the debtor. She hasn't any recollection of receiving any correspondence from NewDay about the increases to the credit limit or of having accepted the increases. NewDay hasn't treated her fairly or responsibly and it's liable for the current debt.

my findings

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint.

When Miss E told NewDay of her financial difficulties and offered revised payments, it asked her to provide income and expenditure information. I note she refused to provide this information as she'd reservations about how it would be used. Even so I think NewDay acted reasonably by asking for this information and continuing to apply fees on the account and take other collections action until it received the information.

NewDay says it told Miss E about its offers to increase her credit limit and, although it can't produce all the relevant communications, she accepted them. Miss E says she's no recollection of this correspondence or of accepting the increases.

Whatever happened the simple fact remains that Miss E was aware of the credit limit increases and she doesn't appear to have contacted NewDay to reduce them at any time. She also wasn't obliged to use her card and spend up to the higher credit limits on it. And as she's had the benefit of the money she's borrowed its fair she pays it back.

I'd remind NewDay of its obligation to treat Miss E positively and sympathetically while she remains in financial difficulties. I'd also urge her to co-operate with New Day and provide the

information it reasonably asks for about her income and expenditure information so that an affordable repayment plan can be set up.

Taking everything into account I don't think I can fairly or reasonably require NewDay to reduce Miss E's debt, accept reduced payments or do anything more or differently as she'd like. And, although I recognise Miss E's frustration and strength of feeling, I don't see any compelling reason to change the proposed outcome in this case.

my final decision

I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss E to accept or reject my decision before 12 January 2019.

Stephen Cooper
ombudsman