

complaint

Mrs S complains that NewDay Ltd (trading as “Marbles”) has not treated her fairly in that it wrongly blocked her credit card account, and charged interest on it, contrary to an undertaking it had made to her. She would like Marbles to reinstate her credit account and online access, and to refund interest charged from the date it blocked the card.

background

Mrs S has a credit card account with Marbles. She had always maintained the account in good order, so was dismayed when she went to use it to pay for petrol in July 2016, only to discover it had been blocked. She says Marbles was initially unable to explain why the account had been blocked, but then told her the block had been imposed by a related card company, with whom Mrs S also has a card account.

Mrs S considers that Marbles should not have been able to block her card on the basis of information from another company, and also says Marbles has unfairly charged her interest, despite saying it wouldn't. She says she wasn't told that the block would be applied, causing her distress and inconvenience. She also says the block has damaged her credit rating, affecting her ability to apply for credit from other lenders.

Our adjudicator recommended that this complaint should be upheld in part. He considered that Marbles was able to rely on information from a range of sources when considering whether to block the card, and that he could not ask it to remove the block. But he also considered that Marbles hadn't been able to show that it had written to Mrs S to tell her about the block, and considered she should receive £100 compensation for the distress and inconvenience this would have caused her.

Mrs S does not agree, saying that as the block was imposed by another company, it shouldn't be allowed. Marbles does not agree, saying it has provided sufficient evidence that it wrote to Mrs S to tell her of the block.

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 appreciate that it came as a nasty shock to Mrs S that her Marbles card had been blocked, and that she wouldn't be able to use it again. I can understand why she was concerned at how this could happen, given she had kept the card within its limits, and says she wasn't given any warning that a block would be applied.

But Marbles isn't required to provide its services to anyone who wants them. As a private company, it can choose who it has as a customer and can rely on internal and external information when it decides whether to keep an account open. Here, it appears that Marbles decided it did not want to keep Mrs S' account open. I can't force Marbles to reinstate the account, and I can't find that it acted wrongly in deciding to close the account.

This isn't to say the account can be closed without warning. Businesses are expected to tell customers in advance, to avoid the kind of situation Mrs S found herself in – trying to use the account without realising it had been blocked. Marbles has said it sent letter about the block to Mrs S on 15 July 2016, and that a member of staff remembers altering it. But Marbles has

also said that it would usually save a copy of a manually altered letter, and that this doesn't appear to have been done. As Mrs S has said she didn't receive any mail from Marbles, it has also raised the possibility that her mail may have been tampered with, which would mean non-receipt wasn't its fault.

In such circumstances, I would usually expect a business to be able to show evidence that a letter was generated and sent – especially where the letter had been manually altered. That Marbles can't show this means I can't safely conclude that it was sent to Mrs S. So I agree with the adjudicator that she should receive some compensation for the distress and inconvenience of finding out that her card had been blocked when she tried to use it to pay for petrol.

Mrs S has also complained that Marbles applied interest to the account, contrary to its agreement with her that it would freeze interest while the account was blocked. I don't doubt Mrs S has a strong recollection of this, but I don't have other evidence that the business did agree to do this. This means I can't ask Marbles to refund interest which it applied. Mrs S also complained that Marbles' actions have affected her credit history. Looking at the available information on her credit file, I'm not sure this is the case, as there are other listings which are more likely to have an adverse effect. But in any case, because the listings are correct, I can't ask the business to remove or alter them.

Mrs S has said that Marbles shouldn't be able to rely on information from a linked business, and that staff from that other business shouldn't be able to take action in relation to her Marbles account. But as I've said above, whatever the information, and however it was obtained, businesses are able to terminate a relationship with a customer, and I can't reverse that. Here, I do consider it most likely that Marbles failed to give proper notice to Mrs S, but that doesn't mean it has to reinstate her account.

I appreciate that Mrs S has had a difficult experience, despite always having kept her account in order and I completely understand why she considers it unfair that she's no longer able to use her credit card. But Marbles and its parent company NewDay Ltd have decided they no longer wish to provide the account to Mrs S, and I'm not able to order them to change that decision.

my final decision

My final decision is that I uphold this complaint in part. In full and final settlement of it, I order NewDay Ltd to pay Mrs S £100 compensation for the distress and inconvenience it caused her.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs S to accept or reject my decision before 28 February 2017.

Catherine Wolthuizen
ombudsman