

complaint

Mr R complains that he was wrongly charged by NewDay Ltd for going over the limit on his credit card and would like the charge to be refunded.

background

Mr R has a credit card account with NewDay Ltd which has a credit limit of £500. NewDay charged him when he went over this limit. Mr R complained about the charge and asked for it to be removed.

Our investigator said the charge was in line with the account's terms and conditions and she thought it was fair for NewDay to charge Mr R in circumstances where he had gone over his limit. Mr R disagrees and has requested an ombudsman's decision. He says he has a direct debit payment which pays more than the minimum amount due each month and he only went over the limit because of the charge. He also says the fee is unfair and has added to his financial burden.

my findings

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

The account terms say NewDay may charge Mr R if he breaks the agreement, and this includes an "Over Limit Fee" which is charged each time he goes over his credit limit. I've looked at the relevant statement. This shows that Mr R had a balance of around £460. He used the card to buy something that cost around £60. This meant that he was over the limit. I'm satisfied it was this purchase that caused Mr R to exceed the limit and that was why he was charged. It wasn't the charge that caused him to go over the limit.

NewDay's policy is to give someone two days to bring their account back under the limit and if this happens it will refund the charge. Mr R didn't bring his account under the limit within two days.

Mr R had gone over the limit previously and NewDay agreed to waive the charges. NewDay has explained that its usual policy is not to refund more than one payment each year, so I think it was reasonable not to refund this charge.

my final decision

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

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr R to accept or reject my decision before 21 August 2017.

Peter Whiteley
ombudsman