

## **complaint**

Miss B believes NewDay Ltd has acted unfairly by charging her late payment fees to her credit card account. She says she has paid in line with what she'd agreed and has asked for all these fees to be refunded with interest.

## **background**

Miss B took out a NewDay credit card in store in January 2014, since when she's incurred a significant amount in late and missed payment charges. But Miss B says, when she signed up for this card, she told the store she'd be setting up her payments for the 25<sup>th</sup> and this is what she's done. She'd like all of the late payment charges to be waived together with any interest charged on them.

NewDay rejected this complaint. It said Miss B accepted its terms and conditions when she applied for the card. While it couldn't comment on what had been said in store on the day, it was satisfied the payment dates would have been clear from the monthly statements and it couldn't change them on an individual basis. It also explained how she could structure her payments to avoid further charges. NewDay refunded three of the late payment fees and £7.68 in interest and felt this was fair.

An adjudicator decided the business hadn't done anything substantially wrong. Even if Miss B had told the store she wanted to make her payments on the 25<sup>th</sup> of each month, New Day didn't necessarily have to agree. And it couldn't be expected to change its payment dates in Miss B's individual case.

With regard to the charges, she said not every payment had been made on the 25<sup>th</sup>; in some months payments had been made on other dates and in other months the payment had been less than the minimum amount or not made at all. She felt NewDay had acted reasonably by explaining how to avoid the late payment charges and that the charges had been applied properly. And she said that New Day's offer was fair and reasonable and more than this office would have awarded in the circumstances.

Ms B disagreed and said it was clear she'd agreed to make payment on the 25<sup>th</sup> because she'd set up her payment for that date. She said as she was making the minimum payment each month she hadn't realised there was a problem with the account for some time. She felt it was unfair she was now being penalised for making her payments in line with what she'd agreed when she took out the card.

## **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 conclusion as the adjudicator and for broadly the same reasons.

I've seen that Miss B had set up her standing order for the 25<sup>th</sup> and I've taken note of her comment that this shows she'd discussed her preferred payment date when she took out the card. But she has also said that she was told when she opened the account that NewDay couldn't take direct debit payments on the 25<sup>th</sup> of each month.

I appreciate Miss B had a preferred date for payment but at the end of the day, she had signed up for this card and she was therefore responsible for making sure she made her

payments on time and in line with the card's terms and conditions. And I don't consider it was reasonable to expect NewDay to change its payment date in Miss B's individual case.

I note NewDay has said it told Miss B how she could arrange her payments so as to avoid any further charges. But, regardless of whether this was the case, it would have been clear from the statements sent to Miss B each month how much she needed to pay, and when. For that reason, I can't agree NewDay was being unreasonable in charging Miss B when a payment was either late or was missed or if it was for less than the minimum amount required.

I realise Miss B may be disappointed by my decision but I'm satisfied NewDay has applied its charges in line with its terms and conditions. And I consider the refund it has made to resolve this complaint is fair and reasonable and I won't be asking it to anything more.

### **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 Miss B to accept or reject my decision before 18 July 2016.

Cerys Jones  
**ombudsman**