

complaint

Mr W says NewDay Ltd has charged him excessive fees for exceeding the limit on his credit cards with them. He'd now like the majority of these charges refunded together with 8% interest on the refund.

background

Mr W had two credit cards with NewDay. The first card was opened in 2012 and the second in 2013.

Mr W went above the credit limit on both cards at various times from 2014 and each time this happened, a £12 above the limit charge was applied. Mr W says he accepts that the charge should have applied on each card the first time he went above the limit but he feels it's unreasonable to continue to add the charge each month after that.

But NewDay said the charges were set out in the terms and conditions for each card and it had applied them correctly. It said it had refunded three of the above limit charges on each card as a gesture of goodwill. And it had offered Mr W advice on how best to manage his account to avoid any further charges going forward.

NewDay went on to say it had changed its charges from January 2016 in line with industry best practice and, as a result, had refunded a further £48 plus £1.32 interest on one of Mr W's cards and £12 on the other. However it didn't agree it needed to make any additional repayments to Mr W.

Our adjudicator sympathised with Mr W's situation and the efforts he'd made to keep within his credit limit but said NewDay had applied the charges in line with the terms and conditions for each card and he couldn't agree it had acted unfairly. And he said NewDay had already refunded a number of payments as a gesture of goodwill and he thought this was reasonable.

Mr W however remained unhappy and asked for his complaint to be referred to an ombudsman.

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 as I'll now explain.

I've seen Mr W has had problems in keeping within the credit limit on both cards and he's incurred a large number of charges for this as a result. But I don't agree NewDay has acted unfairly.

The terms and conditions signed by Mr W when he took out the cards made clear that charges could be applied for going above the credit limit, as well as for other problems such as making payments late or not at all. And the charges applied for every month this happened, not just the first time. I appreciate that in Mr W's case this means he's been charged a number of fees over several months. But because this was what was agreed, I can't reasonably say NewDay was wrong to apply the charges or that it now needs to refund them to Mr W.

And it seems to me NewDay has been sympathetic to Mr W's situation. While it may not be the refund Mr W was seeking, NewDay has refunded three of these monthly charges to each of his cards. On the basis the charges were correctly applied – as they were- I consider NewDay has dealt with Mr W's concerns fairly and I won't be asking it to do anything more.

my final decision

My final decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr W to accept or reject my decision before 10 March 2017.

Cerys Jones
ombudsman