

complaint

Mr B complains that NewDay Ltd has harassed him for a credit card debt he's unable to repay and refused to accept £50 a month. Mr B also complains that NewDay has called at unreasonable times.

background

Mr B has a credit card with NewDay. In July 2018 Mr B told NewDay he'd been made unemployed and that he couldn't afford to maintain his monthly payment.

In the months that followed Mr B made payments to his credit card but wasn't able to pay the full amount so his account went into arrears. NewDay asked Mr B to complete an income and expenditure assessment during this time but when it was returned it wasn't complete because he didn't say how much he owed to other creditors. Subsequent income and expenditure forms haven't included an income figure.

As a result no payment arrangement was agreed by NewDay and interest continued to accrue on Mr B's account. Mr B complained but NewDay didn't agree it had made an error when dealing with his credit card. Mr B went on to refer his complaint to this service and an investigator looked at what had happened.

The investigator didn't think NewDay had treated Mr B unfairly by refusing to put a payment plan in place. But they thought the calls to Mr B after NewDay said it had suspended collections activity weren't fair and asked it to pay £50. T

The investigator arranged for another income and expenditure assessment to be completed and also liaised with NewDay. While a formal payment plan hasn't been agreed because Mr B doesn't have enough disposable income, NewDay has accepted £50 payments and agreed to put the account on hold until April 2019.

Mr B remains unhappy with the way NewDay's handled his complaint and asked for his case to be appealed so it's been passed to me to make a decision.

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'm going to begin by looking at how NewDay's contacted Mr B in relation to his credit card. I appreciate Mr B feels he's been harassed but I've not found NewDay has acted unreasonably here. As Mr B didn't provide completed income and expenditure assessments NewDay wasn't able to agree a payment plan.

In the absence of a payment plan I think it's reasonable for a lender to contact a borrower about how the debt will be repaid. I've not found NewDay called Mr B too often or that the times it called at were unreasonable.

Lenders ask for income and expenditure assessments to be completed in order to ensure any payment arrangements agreed are affordable. In this case, I think NewDay's been consistent in trying to get the information it needed from Mr B in order to see whether a payment plan could be arranged.

I say this because it's asked Mr B to complete income and expenditure assessments on a number of occasions and information has been missing when they've been returned. Mr B didn't originally give details about what he owed to other credit card providers and later didn't provide an income figure. I appreciate Mr B isn't working but he didn't confirm whether he was receiving benefits or income from another source and that's information I think NewDay was entitled to ask for.

Since the complaint's been referred to this service the investigator obtained a completed income and expenditure assessment from Mr B and passed it over to NewDay. I understand agreeing a formal payment plan hasn't been possible because Mr B's outgoings are higher than his income. But NewDays' confirmed it's put collections activity on hold until April 2019 to give him more time to address the situation. And I think that's fair in the circumstances.

NewDay's explained that it will look to complete another income and expenditure assessment with Mr B in April 2019 to help decide what action to take next. Mr B should be aware that if he remains unable to afford to start payments again NewDay may take the decision to start action to recover the debt.

NewDay said it would stop contacting Mr B about the debt but it continued to call him. NewDay's agreed to pay £50 for the service provided and I think that fairly reflects the impact on Mr B.

I'm satisfied NewDay has dealt with Mr B's complaint fairly. It's agreed to pay £50 for contacting him after it had agreed not to. Despite being unable to agree a formal payment plan NewDay's agreed to accept £50 a month until April 2019 and suspended interest and charges until that time. As I'm satisfied NewDay's agreement to pay £50 and accept payments of £50 a month until April 2019 is fair I'm not telling it to do anything else.

my final decision

My decision is that I uphold this complaint in part and that NewDay Ltd should pay Mr B £50. Under the rules of the Financial Ombudsman Service, I'm required to ask Mr B to accept or reject my decision before 22 February 2019.

Marco Manente
ombudsman