

complaint

Mr K complains NewDay Ltd (trading as Aqua) is charging him at least £50 to £60 more interest than it says on his mobile app.

background

Mr K says that every month he is being overcharged around £50 interest. He says he asks how much the interest is going to be but then his mobile app says he has to pay around £50 more each month.

NewDay said it's charging Mr K the correct amount of interest in line with the terms and conditions on his account. And it said his monthly statements give a clear breakdown of when his payments are due and how much interest he has to pay.

The adjudicator didn't think NewDay had done anything wrong. He could see it was charging Mr K the correct amount of interest in line with the terms and conditions.

Mr K didn't agree with this and still believed he was being charged around £50 more than he should be every month. He says the Financial Conduct Authority has told him NewDay is acting in breach of high level principles.

my findings

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

Mr K sent us an example of why he thought he was being charged more interest than he should be. This was in April this year when the minimum payment NewDay requested was £183.75 and the amount of interest it charged was £135.49.

The minimum monthly payment includes the interest, any default fees and a percentage of the balance. That calculation is included in the terms and conditions. So using Mr K's example the minimum payment for April 2019 was the interest of £135.49 plus any default fees and a percentage of his balance. That's why there's a difference between the figure for interest and the required minimum monthly payment.

So I'm satisfied NewDay has calculated the interest on Mr K's account in line with its terms and conditions. It isn't overcharging him. And it's calculated his minimum monthly payment in line with its terms and conditions. In those circumstances I can't find it's done anything wrong.

my final decision

My decision is that I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr K to accept or reject my decision before 5 September 2019.

Linda Freestone
ombudsman