

## **complaint**

Mr F complains that NewDay Ltd withdrew a credit facility on his store card.

## **background**

Mr F took out a store card with the predecessor of NewDay in 1996. The card was due to expire in July 2013. NewDay wrote to Mr F in June 2013 to tell him that it had taken a decision not to renew his card. This was because it had not been used for a number of months. Mr F's credit facility was withdrawn in August 2013. This meant that his account was open for payments only.

Mr F was unhappy with the fact his card had been frozen, and with the interest rate he was being charged on the outstanding balance. He complained to NewDay. It did not uphold his complaint. NewDay said that he had agreed to the interest rate when he took out the card. Further, it was entitled to take a decision to freeze the account as it had not been used for a number of months.

Mr F was unhappy with this response and brought a complaint to us to consider.

The adjudicator did not recommend that the complaint should be upheld. He considered that NewDay is entitled to choose whether or not to grant credit to a customer. The adjudicator concluded that NewDay told Mr F that the account was to be closed. The adjudicator did not agree that NewDay was required to reduce the contractually agreed interest on the remaining account balance.

Mr F is not happy to accept the adjudicator's recommendation. He says that he should not have to pay the interest rate applicable to a store card when he no longer has a live card which he can use.

## **my findings**

I have considered all the available evidence and arguments to decide what is fair and reasonable in the circumstances of this complaint.

I understand Mr F's frustration that his store card was frozen without his agreement. As the adjudicator has pointed out however, NewDay is entitled to take a decision as to who it is prepared to give credit to. This is a matter for its commercial judgment, and we would not usually interfere with this business decision.

When Mr F took out his store card, he agreed to pay a particular interest rate on any purchases made on this card. Mr F says that this interest rate should be reduced now that he is no longer able to use it. I do not agree. He was aware when he used the card that he would be charged the contractual interest rate on any balance due. The fact that he cannot make additional purchases does not mean that he does not have to pay this rate on the outstanding amount. I do not consider that there are any fair grounds to require NewDay to reduce the interest it is charging Mr F.

I am satisfied that NewDay made Mr F aware that it was freezing his account in June 2013, and that it dealt with all the complaints he raised with it.

**my final decision**

My decision is that I do not uphold this complaint.

Rosemary Lloyd  
**ombudsman**