

complaint

Mr B complains that NewDay Ltd has failed to settle his complaint on the terms it agreed with him over seven months ago. As a result, he's been caused significant extra inconvenience trying to sort things out. And he's concerned about information still showing on his credit file.

background

When Mr B first got in touch with us, he was concerned that NewDay hadn't updated its records with his new address when he'd given it details in July 2011. And it hadn't closed his account as he'd asked it to do after he'd cleared the outstanding balance.

Unknown to Mr B, some payments were debited from his NewDay account in 2013. But all NewDay's letters about this were sent to his old address. And he thought the account was closed. So, Mr B didn't know anything about this – and he had no reason to think he owed NewDay anything on this account. So when he was contacted by a debt collector he was very unhappy to learn what had happened.

When our adjudicator got involved, agreement was reached to settle Mr B's complaint. But although Mr B has been trying to finalise matters on the terms agreed with NewDay, he hasn't been able to do so. A cheque he sent in settlement of the balance that built up on his account got lost. And when he tried again to pay, exactly following NewDay's instructions, it said it wasn't able to process his cheque – and returned it to him. Mr B still hasn't been able to make the payment.

And he's continued to get chasing letters about the balance on his account – even though NewDay agreed to buy back the debt.

Our adjudicator has attempted to conclude matters direct with NewDay – but it hasn't responded to a letter sent over a month ago. And Mr B's complaint remains outstanding. So it has been referred to me to make a final 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. Having reviewed everything that's happened, I've come to the same conclusions as our adjudicator. Here are the reasons why I say this.

NewDay told us it didn't have any record of Mr B's letter asking it to close his account and updating his address details. But, based on the information I've seen, I find no reason to doubt what Mr B has told us. It's possible the letter was lost in the post – or mislaid by NewDay. So I think it was fair and reasonable that NewDay responded to our adjudicator and agreed the terms it did to settle Mr B's complaint.

NewDay has failed to do what it originally agreed it would. So I hold it responsible for the delay there's been implementing the settlement that was agreed. And it's why Mr B has continued to get payment demands he finds rude and threatening.

Given what's happened, I agree with our adjudicator that NewDay should now do more in order to settle Mr B's complaint. It failed to accept the payment Mr B's been trying to make in

accordance with his part of the agreed settlement – despite his best efforts to comply. And I understand NewDay accepts that as a result of its errors when his cheque was first returned, it agreed he wouldn't be expected to pay back any of the amount owing. So I find that it's no longer reasonable to expect him to pay this.

NewDay should take urgent action to recall and clear Mr B's outstanding debt, and remove adverse information about this from his credit file. And, given the additional problems Mr B's had as a direct result of NewDay's failure to deal effectively with his complaint, I agree compensation is justified. Overall, I consider that £200 is fair and reasonable in line with our usual approach.

my final decision

For these reasons, I uphold this complaint. I order NewDay Ltd to:

- take immediate action to write off the full debt and remove any adverse credit record recorded for Mr B in connection with this account, and
- pay Mr B £200.

Under the rules of the Financial Ombudsman Service, I am required to ask Mr B to accept or reject my decision before 17 August 2015.

Susan Webb
ombudsman