

## **complaint**

Mrs D complains that NewDay Ltd has applied unfair charges on her credit card account and she disputes the amount she owes.

## **background**

Mrs D incurred charges on her credit card account when she mistakenly paid less than the minimum repayment amount that was due.

Mrs D disputes the amount she owes and she is not paying a sufficient amount each month so arrears are building up on the card. She believes charges have been incorrectly applied and they should be refunded. And she's unwilling to increase her monthly repayments in these circumstances.

Our adjudicator didn't uphold the complaint on the basis that she felt the charges had been applied correctly.

Mrs D disagrees. NewDay had previously refunded some charges to Mrs D's account as a gesture of goodwill. But Mrs D feels that if NewDay had paid her back sooner, no other charges would have been put on the account.

So the complaint has been referred to me.

## **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 that Mrs D feels strongly that NewDay should refund charges that she considers are unfair and excessive – especially as she feels she only made a mistake about her monthly repayment because she was dealing with a death in the family at the time.

I sympathise with her position. Our adjudicator did ask NewDay if it might agree to refund her charges in these circumstances. But it said that it had already shown goodwill by refunding some charges the year before – even though Mrs D had not made the correct monthly repayments then. It had also suggested to her ways she could avoid charges by using more efficient payment methods and explained how her minimum monthly payment was calculated and when it had to be paid.

We work to ensure customers do not suffer any financial loss as result of a bank's errors and we will award fair compensation payments if appropriate. But as far as I can see, it appears that all charges have been correctly applied in accordance with the account terms and conditions. So I can't fairly say that NewDay should refund these.

And I don't find that NewDay is responsible for the arrears on Mrs D's account, on the basis that it should have paid her the charges it refunded last time sooner than it did. It looks as if NewDay was entitled to apply charges to her account – but it took a generous view of her circumstances and chose to make a goodwill gesture by refunding some. So I don't feel I can reasonably agree with Mrs D on this point.

I agree with our adjudicator and, looked at overall, I don't feel I can fairly and reasonably direct NewDay to take any further action.

I endorse the advice our adjudicator has given Mrs D already and suggest she gets in touch with NewDay to discuss and agree a repayment plan to avoid further charges being added to her account. And if she would like more help to manage her financial situation, we can give Mrs D details of organisations that can offer advice and assistance, if she'd like us to do that.

**my final decision**

For these reasons, I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I am required to ask Mrs D to accept or reject my decision before 17 March 2015.

Susan Webb  
**ombudsman**