

complaint

Mr K complains that NewDay Ltd imposed unfair fees and charges on his credit card account.

background

In April 2016 Mr K took out a credit card with NewDay. He set up a direct debit for £5 to cover his monthly payment, but on 15 May he increased this sum online. The online system informed him that the change would take six days to update. As a result his monthly payment wasn't made by the due date. A late fee was imposed, but has since been refunded. The direct debit was cancelled on 8 June and Mr K has been in arrears which has resulted in further charges being made. He also incurred charges for exceeding his agreed limit.

The bank says it recognised that it was Mr K's intention to make the May payment and so it refunded the late payment fee, but he hasn't made the subsequent payments due and so it has charged him fees. As a gesture of goodwill it also refunded the first of his fees for exceeding his balance limit. Mr K also complained that the bank had called him on numerous occasions and he considered this to be unreasonable. The bank said it was trying to collect the money Mr K owed it.

The complaint was investigated by one of our adjudicators who didn't recommend that it be upheld. He reviewed the matter in some detail and concluded that NewDay had imposed the charges correctly. He also listened to a number of phone calls and while he understood a number of these may have been inconvenient he was satisfied that NewDay hadn't been unreasonable in seeking to obtain money it was owed.

Mr K didn't agree and said it wasn't his problem that it took the bank six days to change the direct debit. He also disputed that he exceeded his limit.

my findings

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

While I have every sympathy with Mr K I find myself in agreement with the adjudicator who has set out the matter in some detail which I won't repeat here. He has failed to make sufficient payments to keep his account up to date and so has fallen into arrears. When he took out the card he agreed to make the minimum repayments by the due date. This he has failed to do and so he has been charged for late payments and for exceeding his balance limit.

Part of the cause of his exceeding the limits is due to charges being imposed. I appreciate that Mr K thinks these are unfair and should be ignored. However the bank has imposed them in accordance with the terms and conditions of the account and while it refunded a couple of charges as matter of goodwill it is entitled to impose them.

It appears that Mr K needs to deal with his arrears and make a payment that will address these. If he doesn't the balance may increase such that it becomes unaffordable. I am not aware that he suffers from any financial hardship and so it would be wise for him to clear the arrears now.

I understand that NewDay has agreed to stop calling Mr K as he has requested and having listened to calls I cannot say that NewDay did anything wrong in calling him prior to that agreement.

my final decision

My final decision is that I do not 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 27 February 2017.

Ivor Graham
ombudsman