

## **complaint**

Miss G complains that NewDay Ltd (trading as Aquacard) has treated her unfairly because it's increased the interest rate on her credit card twice and hasn't treated her sympathetically in her financial difficulties.

## **background**

The interest rate on Miss G's Aquacard credit card was raised twice in six months. When Miss G complained in January 2018, she wasn't happy with the information Aquacard gave her. She told Aquacard she was in financial difficulties so was struggling to make payments on the card and told it she wasn't able to discuss her account over the phone due to health issues that made it hard for her to cope. But Aquacard continued to call her about her account numerous times. Miss G wrote to Aquacard again about her financial difficulties and the issues she had with dealing with the problem over the phone. She also complained about the level of charges for late payment.

Aquacard investigated Miss G's complaint. It said it was entitled to increase the interest rate on the account but recognised it hadn't responded well to Miss G when she told it about her financial difficulties and health problems. So it offered £100 as compensation for this and refunded charges for a period in 2018. Miss G wasn't satisfied so she came to this service. Our investigator thought Aquacard should pay Miss G £250 as compensation for its failings in addition to the refund of charges it had offered. Aquacard disagreed with the level of compensation and asked for review by an ombudsman. In the meantime, it froze interest and refunded charges on the account pending the outcome of the complaint and the organisation of a suitable payment plan.

Having looked at the circumstances of the case, I recommended an increase in the compensation to £500 but Aquacard disagreed with this recommendation so I issued a provisional decision to that effect. Miss G accepted my provisional decision but Aquacard sent further comments.

## **my findings**

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint. I have also taken account of Aquacard's comments in response to my provisional decision but my conclusions as set out in my provisional decision remain unchanged.

Aquacard's terms and conditions allow it to raise interest rates for a number of reasons. It's not obliged to provide detailed reasons for the interest rate increases because they could be commercially sensitive. But I'm satisfied that Aquacard increased the interest rate in accordance with the terms and conditions.

But Miss G contacted Aquacard to tell it that she was having trouble making payments on the card because of her circumstances and the increased interest rates. Businesses are obliged to treat consumers sympathetically and positively when they find themselves in financial difficulties and I don't think Aquacard did this. It's accepted its service levels weren't good enough so I need to consider what compensation would be appropriate in the circumstances.

Miss G suffered from anxiety which she told Aquacard about. She explicitly asked it not to call her because she couldn't cope with discussing the issue over the phone. But it continued to try and call her several times over a few days. Miss G says she told Aquacard about her financial difficulties in January 2018 but it says it didn't receive her first letters though it accepts it knew about her problems from early February 2018 at least. But it didn't send her an income and expenditure form until July.

Aquacard says, if she'd requested a medical pack, it could've sent her one. But I think Aquacard had enough information from Miss G to understand it needed to send her information on steps she could take to help manage her situation. Aquacard failed to offer solutions and this must've made her even more anxious about the problem. Aquacard also failed to take account of her request for it not to call her because of the anxiety this caused her. Instead, it carried on trying to make phone contact in February with several attempted calls over a few days.

Aquacard's said Miss H didn't say she wanted a payment plan in her correspondence. But I find she did make it clear she was suffering from financial difficulties and was struggling to make the monthly payments. In those circumstances, I'd expect a business to get in touch with her about options to address those problems. Aquacard failed to do this for several months after it knew about her difficulties. In the circumstances, I find that Aquacard should pay Miss G £500 as compensation for the degree of stress it's caused her over several months in a situation where it was already aware of her anxiety and should've been more proactive and sympathetic to her financial difficulties and her difficulties with phone contact.

I understand that Aquacard's now frozen interest and charges on the account. It has an ongoing responsibility to treat Miss G positively and sympathetically in finding a way to manage her finances including the agreement of a realistic payment plan. Miss G's made it clear she can't discuss things over the phone because of her anxiety so Aquacard should engage with her in writing to sort things out.

### **my final decision**

For the reasons given above, it's my final decision that this complaint should be upheld in part. NewDay Limited should pay Miss G £500 as compensation for its failure to engage with her positively and sympathetically in her financial difficulties or to take her communication needs into account. It should engage with her in writing to arrange a realistic payment plan for the future.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss G to accept or reject my decision before 27 April 2019.

Susie Alegre  
**ombudsman**