

complaint

Miss B has complained that NewDay Ltd (trading as Aqua) acted irresponsibly when it increased the limit on her credit card and when it allowed her to open a second card at a time when her first card was still open.

background

Miss B has held four credit cards with Aqua. She took out her first card in June 2012 and her second card in July 2013. She didn't close the first card until July 2014. Aqua offered to increase the limit on the second card six times between January 2014 and December 2015 and Miss B accepted these offers. She closed the second card in February 2016. She held a third card with Aqua from June 2016 until August 2016. She took out a fourth card in February 2017 which is still open.

Miss B exceeded the limit on her fourth credit card on a number of occasions during 2017 and Aqua debited fees to her account because of this. In October and November 2017 she didn't make the minimum payments due to Aqua and in December 2017 she entered into a payment plan whereby Aqua agreed she could make reduced payments.

Miss B complained to Aqua about the increases in her credit limit and allowing her to have two credit cards at one time. It didn't uphold her complaint about the credit limit increases. It said the information on her account at the times the credit limit was increased indicated she was able to afford the payments. It apologised for allowing her to open an account when she already had one open but didn't offer her any compensation for this.

Miss B wasn't happy with Aqua's response to her complaints and referred them to this service.

our initial conclusions

Our investigator didn't recommend the complaint should be upheld. She didn't think Aqua had acted irresponsibly with regard to the credit cards and had acted positively when Miss B got into financial difficulty.

Miss B didn't accept our investigator's recommendation.

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've seen Miss B's credit report. This shows that when Aqua offered to increase the limit on her second credit card she was paying more than the minimum monthly payments. For example, when Aqua increased the limit to £4,250, Miss B had paid off over £1,000 on the card the previous month. I note Miss B never used the full credit limit on the card and repaid the outstanding balance in full before she closed the account.

Given the above, I'm not persuaded Aqua was irresponsible when it increased the credit limit on Miss B's second credit card.

I've considered Miss B's complaint about Aqua allowing her to hold two credit cards at the same time. I think she would have known she hadn't closed the first card when she applied for the second one. When Miss B opened the second card the combined credit limit on the two cards was £1,500. When she closed the first card the credit limit on the second card had been increased to £1,500. Although it would have been preferable for Miss B to just have one card, I'm not persuaded Aqua acted irresponsibly when it allowed her to have two cards.

When Miss B took out the credit card she would have been aware of the payments she'd need to make. I think she would also have realised that Aqua would take action if she didn't make the agreed payments. However, Aqua has a responsibility to treat customers such as Miss B who are in financial difficulty positively and sympathetically.

When Miss B went over her credit limit on her latest card and didn't make the monthly payments, Aqua debited fees to her account. These fees were in accordance with the terms and conditions of the account that Miss B agreed to when she took out the card. I'm not persuaded I could reasonably require Aqua to refund these charges.

I'm satisfied Aqua treated Miss B fairly and reasonably when it became aware of her financial difficulty by agreeing to a payment plan. Unfortunately, this has resulted in some adverse information being recorded on Miss B's credit file. But this is because Aqua is giving accurate information to credit referencing agencies so I can't say Aqua isn't being fair and reasonable.

my final decision

For the reasons I've given, my final decision is I don't uphold this complaint. I make no award against NewDay Ltd (trading as Aqua).

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss B to accept or reject my decision before 13 July 2018.

Charles Bacon
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