

complaint

Mr B complains that NewDay Ltd (trading as Aqua) has made mistakes in dealing with his account after he reported a payment he did not recognise and now intends to close it.

background

Mr B disputed a payment on his credit card account. During the call he said he was not living in this country. NewDay agreed to accept his claim by email and refunded the payment. But it blocked his account. He was initially told that this was an error and paid £80 in compensation. He was then told this was because he lived abroad. His account remains available for repayments only. NewDay said it will be closed when the balance he owes is cleared.

The investigator recommended that the complaint be upheld in part and Mr B be paid a further £100 in compensation. NewDay agreed to do this and has credited the money to his account. He said that:

- NewDay was entitled to close Mr B's account but it has accepted that it should have given him two months' notice.
- It had been aware since 2015 that Mr B was living abroad and did not act on this then. But this meant that Mr B had been able to use the card for an extended period.
- He was not able to tell NewDay to reinstate the account - but he recommended it pay him the further compensation.

Mr B did not agree. He said that the amount paid does not reflect the breach of the terms and conditions. He had made a reasonable offer - which is that he be allowed to use the account and will waive the compensation. His complaint has been badly handled and he has been given incorrect information. The impact on him has not been taken into account.

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 understand that Mr B has experienced a number of difficulties in dealing with NewDay from abroad. It was reluctant to accept his claim by email. And it blocked his account when he said he was living abroad. I don't think it contacted him there by phone as he wanted.

I'm afraid it is a matter for NewDay to make a commercial decision about the terms on which it does business and whether it will provide credit facilities. Its processes don't have to accommodate customers living abroad. But it's handled communicating this to Mr B poorly. And it's not given him the notice of the withdrawal of his account that it should have done. It's apologised for this and paid him compensation. I know he thinks it's taking a very inflexible approach given what has happened. But I can't tell it to operate an account for him - even though he's now said he is back and living permanently in this country. And we don't punish businesses for making mistakes. So I think the compensation already paid to him is reasonable.

my final decision

My decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr B to accept or reject my decision before 15 February 2018.

Michael Crewe
ombudsman