

## **complaint**

Mr J is unhappy that NewDay Ltd trading as Marbles won't write off his outstanding debt on his credit card account taken out in December 2016. Whilst experiencing financial difficulties, he submitted a Debt and Mental Health Evidence Form to them explaining that he was diagnosed with a medical condition which makes it difficult for him to manage money.

## **background**

Mr J wrote to NewDay in November 2017 informing them of his financial hardship and mental health issues. The balance on his account was almost £900. He enclosed a Debt and Mental Health Evidence Form, filled out by his GP. The GP stated that Mr J had been diagnosed with a condition since 2014 (although the symptoms may have been present since childhood), as well as related conditions.

That same month, NewDay responded promptly to offer a reduced notional payment of £1 a month with no further interest or charges, with this arrangement to be reviewed in November 2018.

In December 2017, Mr J wrote again to ask for his account to be cleared completely. He was also unhappy that previous calls and letters of his had not been answered quickly enough.

In March 2018, NewDay refused to write off the debt and did not accept that they had made any errors.

Our investigator concluded that as Mr J had been in gainful employment for some of the time he had ran up the debt, it was reasonable for NewDay to think that he might be able to pay off the debt in the future. The investigator also felt that they had behaved positively and sympathetically with their proposal, and that if Mr J was unhappy with their review in November 2018, he would be entitled to make a fresh complaint to the Ombudsman.

Mr J did not agree with this decision and argued that the investigator had not considered his medical condition properly, had not allowed for his stress and interest on his account if another similar payment plan was not offered. He felt pursuing the matter again to the Ombudsman would be time consuming and stressful.

The matter has therefore been referred to me.

Mr J explicitly asked for a telephone discussion with me. I happily accommodated that request and telephoned him. I thought he was cogent and had a good understanding of events. During that lengthy phone call, Mr J made the following main points:-

- He felt that the original investigator in the case had given him the impression that he would recommend a complete write off. I explained that I had seen no evidence from the papers of that.

- He saw no reason that his medical condition would change by November 2018. Whilst he appreciated “the year’s grace” he had been given, NewDay still did not fully understand the impact of his mental condition.
- He confirmed he had worked during 2017 but could not remember when he had stopped working. He had worked as a Salesperson.
- A different credit card company had written of his debt with them and he felt NewDay should do the same.
- He said NewDay had “cold called” him, enticed him with a low credit card limit which had then gradually been increased. However, this does not appear to have been a part of his previous complaint. He had used the credit mainly to buy clothing.

### **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 accept that Mr J’s diagnosis predates his debts with NewDay. But the GP’s report suggests to me that at times Mr J has been able to manage his condition reasonably well, caring for his children and working part time during school hours. It also notes that his wife and family have previously supported him with issues relating to financial management. I do think therefore that Mr J’s circumstances (his ability to work rather than his condition which I accept is lifelong) may one day improve to enable him to pay off his debts.

I think that NewDay did act sympathetically and positively with their offer in November 2017. They allowed him to pay the very low amount of £1 a month suggested by him, and waived all interest and charges for 12 months. I think that the investigator did have regard to Mr J’s medical condition in totality. I agree with the investigator that the fact that Mr J was employed for some of 2017 suggests that future employment is not out of the question.

I have not seen enough evidence to suggest that NewDay inappropriately enticed Mr J into the credit card. He was working at the time, and benefitted from the loan. Given that NewDay have behaved reasonably so far, I see no reason why they will not review matters properly in November 2018. I think Mr J is capable of raising a further complaint at that point if he feels that to be necessary.

The fact that another credit company may have written off their debt does not mean it must be fair for NewDay to do so. The sum owed is quite significant.

I do have sympathy for Mr J and I do accept that holding down a job for a sustained period may be difficult for somebody with his complex disability. I expect NewDay to look into that very carefully when they review matters in November 2018.

**my final decision**

For the reasons given above, I've decided not to uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr J to accept or reject my decision before 31 August 2018.

Satnam Viridi  
**ombudsman**