

complaint

Mr L complains that NewDay Ltd has applied charges and interest to his Aqua credit card account despite him trying to make the required payments. NewDay has also recorded adverse information on Mr L's credit file. Mr L wants NewDay to refund all charges and interest and correct his credit record.

background

Mr L opened an Aqua credit card account towards the end of 2013. He immediately started having problems in getting his payments accepted by the company. Mr L tried to set up payments by direct debit – and even tried to make a payment when he spoke to a representative on the telephone.

Nothing seemed to work. Mr L says he was told there was a “.” in his account name, which prevented the payments from being authorised. NewDay offered to refund some late payment charges but Mr L did not think it was fair he was still being charged a fee for defaulting on his account so he referred the matter to us.

Our adjudicator investigated Mr L's complaint and considered it should be upheld. NewDay was not able to provide a recording of the original telephone conversation with Mr L where the “.” was first referred to – but it was able to provide one for the later call, where it was mentioned. So it seemed Mr L's version of events was plausible.

NewDay did not agree and said it would try and provide a recording of the original telephone conversation. As it has not been able to do so, the matter has been referred to an ombudsman to make a final decision.

my findings

I have considered all the available evidence and arguments to decide what is fair and reasonable in the circumstances of this complaint.

I am in no doubt that this has been a frustrating situation for Mr L. That is clear to me from listening to the recording of the later telephone conversation he had with a representative from NewDay.

And I can see why. That conversation indicates a lack of understanding of the position by NewDay's representative – despite very clear information from Mr L. So I agree with the adjudicator's view that Mr L's version of events is plausible. As NewDay has not been able to provide a recording of the earlier telephone conversation – where something different might have been said – I consider the right thing to do is give the benefit of any doubt to Mr L.

I do not know what the problem was with NewDay not being able to accept payments from Mr L. But there seems no intention on the part of Mr L not to make them. It is disappointing that NewDay has still not been able to provide a recording of the original telephone conversation with Mr L – despite several reminders and extensions of time.

All Mr L was looking for later in the process was for NewDay to act fairly and reasonably. And I consider it did not do so – its offer to just refund some late payment charges does not go far enough.

NewDay should refund all charges and interest to put Mr L back in the position he would have been had he been able to make the required payments. I am confident Mr L will make all the required payments once his account has been corrected. NewDay should also remove any adverse information about the operation of Mr L's Aqua credit card account from his credit record. But – for the avoidance of doubt – this last action should not delay the correction of Mr L's account (or him making the required payments).

Mr L has referred to him having some employment difficulties as a result of his credit record, but I have seen no evidence of this. Requiring NewDay to correct his credit record should ensure this particular issue does not cause him any (further) difficulties in this regard.

my final decision

For the reasons I have given I order NewDay Ltd to refund all interest and charges on Mr L's Aqua credit card account to put him back in the position he would have been had the correct (minimum) payments been made.

NewDay Ltd should also ensure the relevant credit reference agencies remove all adverse information about the operation of the account from Mr L's credit record.

Under the rules of the Financial Ombudsman Service, I am required to ask Mr L to accept or reject my decision before 4 March 2015.

Andrew Davies
ombudsman