

complaint

Mrs D complains that NewDay Limited, ("NDL"), has unfairly applied charges to her account as a result of a cancelled direct debit instruction which she said she didn't cancel.

background

Mrs D had opened a credit card with a retailer in the 1980s. The credit card provider had since changed and the card provider was now NDL. Mrs D had arranged to make the minimum payment on her account each month by direct debit ("DD"). She had never previously failed to make her monthly payment or paid late. Throughout 2016, as Mrs D hadn't made any transactions on the account, her monthly minimum payment was around £25 and she expected to continue to make around this payment amount until her balance was paid off.

But, in December 2016, NDL told Mrs D that her DD hadn't been paid, and that it had been cancelled. But Mrs D said that she hadn't cancelled it and her bank ("B") had told her that it was active. And NDL said that it hadn't cancelled it. But as a result of the cancelled DD, NDL applied two fees to her account. When Mrs D complained about these, NDL agreed to remove them. But because of the way its minimum payment was calculated, this meant that Mrs D's next minimum monthly repayments were around £70 as they included the fees. And Mrs D didn't see why she had to pay for the fees for something that wasn't her fault. As Mrs D then didn't pay the minimum payment amount being requested (but instead paid the amount she was accustomed to paying), more charges were applied to her account. She then received numerous daily debt collection calls from NDL which caused her undue stress.

The adjudicator didn't recommend that the complaint should be upheld. She noted that NDL had provided system notes to show that the DD had been cancelled by Mrs D's bank. Whilst she appreciated that Mrs D had said that she was told by her bank that the DD was active, she thought that Mrs D needed to show this by obtaining evidence from her bank that it didn't cancel the DD.

Mrs D disagreed and responded to say she didn't cancel the DD and had no reason to do this, and her bank had confirmed it was active at the relevant time. As Mrs D said she hadn't caused the problem, she didn't see why she should pay for this. She also said that there were issues with her payment in 2015 when NDL changed its account details and the payment was lost and no one could find it.

With regard to the debt collections calls, NDL said that when an account is overdue, it tries to contact the customer in an attempt to discuss the situation with them, to enable them to bring the account up to date and prevent charges accruing. As Mrs D brought her account up to date on 3 April 2017, it said no further calls would be made.

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 note that Mrs D said that she hadn't cancelled the DD. I also note that Mrs D said that her bank had told her that the DD was active and hadn't been cancelled. But, I also note that NDL said that the DD instruction was cancelled by B on 1 December 2016 (although NDL said elsewhere this was done on 5 December 2016).

I asked the adjudicator to try to get evidence from B about what had happened. B responded to say that Mrs D had cancelled the DD on 29 November 2016. B provided a copy of its system log to show this. The log also shows that the DD was reinstated by Mrs D on 7 December 2016. In view of this I can't say that NDL had acted inappropriately in applying fees to her account.

I also note that Mrs D was unhappy about NDL's frequent debt collection calls. I can see that there were around 40 calls in January 2017. But, I can also see that NDL has explained that it tries to contact its customers to prevent charges accruing. In the circumstances of this complaint, I don't think that NDL acted unreasonably in trying to do this.

I appreciate that Mrs D will be very disappointed with the decision I have come to here but for the reasons I've explained, I don't think I can uphold the complaint.

my final decision

My decision is that I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs D to accept or reject my decision before 13 October 2017.

Roslyn Rawson
ombudsman