

## **complaint**

Mr R complains about charges and interest applied to his credit card account with NewDay Ltd (trading as Aqua).

## **background**

Mr R disputes fees which have been applied to his account since September 2013 and the interest payable on those fees. Aqua has been unable to provide an explanation for how it calculated payments from month to month. Following this service becoming involved it agreed to:

- refund all default sums applied to the account from the 16 October 2013 statement to date;
- pay Mr R £50 compensation in recognition of the distress and inconvenience caused by the events; and
- amend Mr R's credit file, removing adverse information from September 2013 until he stopped making payments on the outstanding debt.

Our adjudicator's view was that this was a fair offer.

Mr R disagreed. He says as the fees were applied in error he shouldn't have to pay interest on the fees.

Mr R has been making payments each month to his credit card account. But since December 2013 this has been only for £5. Mr R states he agreed with Aqua he could pay £5 per month by standing order until the dispute was resolved. Aqua doesn't agree. Under the credit card account contract Mr R agreed to pay each month any interest and default sums. He also agreed to pay 1% of the balance shown on the statement or if 1% of the balance was less than £5 then £5.

## ***my provisional findings***

After considering all the evidence, I issued a provisional decision on this complaint. I summarise my findings:

- On balance I considered the September overlimit fee was not as Mr R had stated incorrectly applied. Nor, as he said, should the interest have been taken immediately by direct debit without being applied to the account first.
- Aqua's failure to explain the October fees clearly to Mr R had caused him upset.
- By paying only £5 a month since December 2013 Mr R didn't comply with the credit card agreement and so I didn't consider it would be fair for me to order Aqua to amend Mr R's credit file once he stopped making the minimum payments.

Subject to comments from either party I proposed to order NewDay to:

- refund all fees applied to the account from the 16 October 2013 statement to 23 May 2014 (the date when Mr R could have accepted the adjudicator's recommendation);
- pay Mr R £50 additional compensation; and
- amend Mr R's credit file, removing adverse information from September 2013 until he stopped making the minimum payment.

Since my provisional decision NewDay has written to say it has no further information to provide. Mr R hasn't responded to it.

### **my findings**

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

As no further representations have been made I see no reason to depart from my provisional decision.

### **my final decision**

My final decision is that I uphold this complaint. I order NewDay Ltd (trading as Aqua) to:

- refund all fees applied to the account from the 16 October 2013 statement to 23 May 2014;
- pay Mr R £50 additional compensation; and
- amend Mr R's credit file, removing adverse information from September 2013 until he stopped making the minimum payment.

Nicola Wood  
**ombudsman**