

## **complaint**

Mr G's unhappy that after many years of use NewDay Ltd suddenly closed his credit card account because of where he lives. He says the card was mis-sold to him and he wants all the payments he's made refunded plus interest.

## **background**

NewDay said in its final response that it hadn't been able to locate the call made to Mr G when he was told the account would be closed because he lived offshore and given the time that'd gone by. But it apologised for any inconvenience caused. It pointed out it retains the right to withdraw a credit facility at any time under its terms and conditions. The account wasn't mis-sold to him. He wasn't misled. He'd used the account at times between 2002 and 2014.

Our adjudicator felt this complaint should be upheld. He said:

- Mr G's shown the account was in operation for many years. His statements show he maintained payments on it. He made the minimum payments.
- NewDay hasn't been able to explain why Mr G's account was closed. But it's confirmed it does allow consumers living off shore, where Mr G does, to have the credit card he was issued with.
- In the absence of any evidence to show why Mr G's account was suddenly closed NewDay hasn't acted fairly. It should pay him £350 compensation.

NewDay doesn't agree. It says £350 is disproportionate to the complaint. But it's offered to pay Mr G £150.

Mr G doesn't accept this. He says if he wasn't supposed to have this card then New Day can't charge him the interest he's paid on it. He thinks that's about £12,000. He expects the interest on the card to be paid back.

## **my findings**

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint.

Some of the evidence in this case is incomplete, inconclusive or contradictory. So, I've made my decision based on what I think is more likely to have happened than not.

I agree with the adjudicator's conclusions for the same reasons.

Mr G wants NewDay to refund to him all the interest he paid on his credit card. But the simple fact is Mr G operated the card for many years. In that time he borrowed money on it from NewDay and had the use of that money. And he's benefited from the use of the card.

So, whether or not the card should've been issued to him in the first place, it's fair that he paid interest on the account's outstanding balance for the money he borrowed. So, I don't think I can fairly or reasonably require NewDay to refund any of the interest Mr G has paid as he'd like.

But NewDay hasn't been able to show or justify why Mr G's account was closed. And I agree with the adjudicator that Mr G hasn't been treated fairly. As a result he's clearly been caused trouble, upset and inconvenience. Taking everything into account, including the levels of award we make, I think £350 compensation for this is fair.

Overall I think the adjudicator's proposed resolution of this complaint is fair and reasonable. And I don't see any reason to change the proposed outcome in this case.

**my final decision**

I uphold this complaint and require NewDay Ltd to pay Mr G £350 compensation.

NewDay must pay the compensation within 28 days of the date on which we tell it Mr G accepts my final decision. If it pays later than this it must also pay interest on the compensation from the date of my final decision to the date of payment at 8% a year simple.

If NewDay considers that it's required by HM Revenue & Customs to withhold income tax from that interest, it should tell Mr G how much it's taken off. It should also give him a tax deduction certificate if he asks for one, so he can reclaim the tax from HM Revenue & Customs if appropriate.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr G to accept or reject my decision before 7 March 2017.

Stephen Cooper  
**ombudsman**