

complaint

Mr K complains about NewDay Ltd (Aqua) following his application for a credit card account. He says it was agreed he would have two interest free balance transfers, one for 6 months and one for 9 months, but despite this he complains he's been charged two lots of interest.

background

The investigator's background summary covered all the relevant facts and is known to both Mr K and Aqua so I won't repeat it in any great detail. Therefore, if I've not mentioned something it's not because I've ignored it, but because I don't think it's relevant to the issues. However in summary it is this;

Mr K opened a credit card account with Aqua on the 31 January 2018. On the 2 January 2019 he took a 0% 6 month balance transfer, and then on the 6 February 2019 he took 0% 9 month balance transfer.

Mr K states that during two calls in January 2019 he was told by Aqua that if he took advantage of the balance transfers he would not be charged any interest on purchases either. He accepts the terms and conditions to the account provide explicitly for interest to be charged but says he has a separate contract based upon the phone calls he had in January.

Aqua said they had acted in accordance with the terms and conditions on the account and also that during a call to their offices on 6 February 2019 Mr K confirmed he was aware that he would accrue interest on any purchases made. In addition they said that the credit card statements showed how interest would be accrued. As such, they rejected the complaint but did accept that their service had not been good and for that removing £20.69 of interest.

Mr K was unhappy with Aqua's response and so the investigator looked into the complaint but didn't think Aqua had acted unfairly. As Mr K didn't agree, the complaint has been passed to me for a final decision.

my findings

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint. The role of the Financial Ombudsman Service is to resolve individual complaints and to award redress where it is appropriate. I'm not the industry regulator, and I don't have power to make rules for financial businesses, direct that they change their processes, or punish them. That is for the Financial Conduct Authority.

I will consider whether Aqua acted fairly and reasonably in its dealings with Mr K. I aim to address all relevant points with a view to reaching a fair and reasonable decision based on the evidence before me. I take into account both side's views. But, where evidence is incomplete, inconclusive or contradictory, then I have to come to a decision on the balance of probabilities – in other words, I consider what is more likely to have happened in the light of the available evidence and the wider circumstances of the case.

So, I think we have an unfortunate situation here complicated by the fact that Aqua don't have a copy of the January call recordings. But they do have a copy of the 6 February call.

I have to work with the evidence I do have and that starts with the credit agreement. Section 3.2 states, *'Interest is charged at the standard purchase rate and is calculated on the monthly outstanding balance from the date of the Purchase and added to the balance each month.'*

Section 3.5 states *'We will not charge interest on Purchases shown on your current statement, if you pay the total balance shown on that statement by the Payment date (and have also paid the total balance on the previous statement by the Payment date). On all Transactions where we do charge interest, we charge it from the date we first charge the amount to your account.'*

I think Mr K accepts this is the correct position if his account is governed by the credit agreement. His argument though is that there is a separate agreement superseding it. But his account statements also state clearly in the section headed *'your interest rates'* how the balance has been accrued and how interest will not be paid if the balance is paid in full.

I have also considered the call Mr K had on the 6 February, which was when Mr K made the second balance transfer. When asked if he knew all about retail purchases and that if he was to make any purchases that he knew he would be charged interest on them, Mr K confirmed he did. He said he understood what the promotional deal was and that he knew that the only interest free period was on the balance transfers.

So I think all of this shows, on a balance of probabilities, that Mr K was aware of how interest would accrue on his account, and that his account was governed by the terms and conditions agreed to when he opened it.

I know Mr K thinks that the refund of interest on his account is in some way an acknowledgement or acceptance from Aqua of his argument, but I don't agree. I'm satisfied the refund of interest was for a different issue, that being poor service. Although Mr K will probably be disappointed with my decision, I have come to the same conclusion as the investigator. So I can't say Aqua has acted unfairly and I'm not upholding this complaint.

my final decision

For the reasons set out above I do not uphold the complaint against NewDay Ltd. Under the rules of the Financial Ombudsman Service, I'm required to ask Mr K to accept or reject my decision before 16 April 2020.

Jonathan Willis
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