

## **complaint**

Mr H complains that NewDay Ltd was irresponsible when it gave him a credit card. He's been paying the balance back through a debt management company and thinks it should've been paid by now.

## **background**

Mr H took out an Aqua credit card with NewDay in 2009. He thought it'd agreed a debt management plan with a monthly payment of £30 but it's added charges and late payment fees and now told him he isn't in a DMP. He has a balance of £328 owing on the card and the minimum payment is £16 per month. He wants NewDay to write off the balance and close the account.

NewDay said that Mr H opened his account in February 2009 so he was out of the time limit set for making a complaint about its decision about lending to him at that time. But it looked at his complaint about its subsequent management of the account and said it'd placed Mr H on a number of payment arrangements in the past where it froze charges and reduced the interest rate. But in May 2016 Mr H's offer of monthly repayment exceeded the contractual minimum payment and so it no longer froze charges and it increased the interest rate back to the correct rate. So it applied all subsequent charges and interest in line with its terms and conditions.

Our investigator didn't think Mr H's complaint should be upheld. She explained the rules we have to follow about time limits and could see that Mr H had first arranged a DMP in July 2013. So she thought he should've been aware at that stage he had cause for complaint about NewDay's decision to open a credit card account for him. And she didn't think NewDay had done anything wrong when it applied the charges and interest to his account. They were in line with its terms and conditions and she thought it'd acted reasonably in the way it'd handled his account.

Mr H didn't agree. He said he knew we could deal with complaints about events over six years ago. And he thought we should punish NewDay for the way it's treated him.

## **my findings**

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

In light of the reason why he initially took out the card I can understand why Mr H is upset and I'm sorry this is making him unwell. But unfortunately I have to disappoint him because I've come to the same conclusions as the investigator for much the same reasons.

Mr H opened this account over eight years ago and we're not allowed to consider complaints about events that happened more than six years ago or three years after the date the complainant became aware he had cause for concern. It seems that Mr H first started having difficulties repaying the balance more than three years ago and I think he would've been reasonably aware that he could've complained about the opening of the account then. Mr H is right that we can consider complaints outside those time limits but only if there are any exceptional circumstances. I can't see there is anything exceptional that stopped Mr H from complaining within the time limits. So unfortunately I can't comment on this part of his complaint.

I have looked carefully at the history of Mr H's account and how NewDay has responded to his difficulties and I can't see it's done anything wrong. It's tried to help him with a number of repayment arrangements, and by freezing charges and reducing its interest rate. But when Mr H offered to pay more than the minimum monthly payment on the account, it took him out of the payment arrangement and put him back on its normal terms and conditions. By offering to pay more than the contractual minimum payment NewDay was entitled to think that he didn't need any further help with repaying the balance. So I don't think it's done anything wrong.

Mr H thinks NewDay should be punished because it put up his credit limit when he was in a debt management plan. But he told us that when he complained about this it reduced the credit limit so I can't fairly ask it to do any more. It also took more than eight weeks to respond to his complaint. But as the investigator explained, the eight week time limit means that we can get involved with a complaint when if the financial organisation hasn't responded within that time. So we wouldn't uphold a complaint on that basis.

### **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 Mr H to accept or reject my decision before 14 August 2017.

Linda Freestone  
**ombudsman**