

complaint

Mr M complains about a payment he tried to make to his NewDay Ltd (trading as Aqua) credit card account.

background

Mr M tried to make a payment of £200 to his NewDay credit card account. The transaction didn't go through and NewDay has since accepted that this was likely caused by a fault in its systems. As a result of this, a late payment marker was placed on Mr M's credit file, charges were applied to his account and he has been receiving a lot of phone calls and letters from NewDay's collections team. Mr M says this situation has been affecting his health.

The adjudicator has attempted to sort this problem out with NewDay. He recommended that NewDay remove all of the charges it applied to Mr M's account, remove any adverse information on Mr M's credit reference file and pay him £50 for the distress and inconvenience caused.

After the adjudicator's recommendation Mr M had more problems with NewDay who continued to write to him and ring him about his credit card account balance. The adjudicator told Mr M that he would recommend that the compensation should be increased to £100 if Mr M agreed. It doesn't seem that Mr M responded directly to this suggestion.

Since then NewDay removed the adverse information on Mr M's credit reference file, removed the charges applied and paid Mr M £50 in compensation. But Mr M has continued to have problems. He says that NewDay have applied more charges to his account, kept on ringing him and has recorded more adverse information on his credit card account.

The complaint has been passed to me to consider.

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 can understand how worrying and frustrating this problem must have been for Mr M. He tried to make the payment and, through no fault of his, it didn't go through. Since then he has been caused a lot of upset and distress as he tried to get the problem sorted out.

I accept that NewDay don't know what caused the problem with its systems but it has accepted that this is where the problem started. As a result it needs to put Mr M back in the position he would've been in if the original payment had been taken. The adjudicator has tried to make this happen, but for some reason NewDay hasn't been able to sort this problem out properly.

I am not sure if the £200 Mr M has been trying to pay NewDay has been paid. This might be the reason why NewDay have applied further charges to Mr M's account, kept ringing him about his credit card balance, sent him another letter about arrears and registered further adverse information on his credit reference file. But I can understand why Mr M may not have made the payment given all of the confusion since he tried to make the original payment. I still think that Mr M should make the payment if it is still owed but, given all that

has happened, I don't think that NewDay has treated Mr M fairly and could have done more to get this problem sorted out sooner.

I uphold Mr M's complaint and require NewDay to put him back in the position he would've been in if the original payment had gone through.

my final decision

My decision is that I uphold Mr M's complaint. I order NewDay Ltd to:

- remove the most recent late payment notice showing on Mr M's credit reference file
- refund any further charges it has applied to Mr M's account since the adjudicator's opinion
- pay Mr M a further £100 in addition to the £50 it has already paid for the distress and inconvenience it caused him.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr M to accept or reject my decision before 15 September 2016.

Michael Ranaghan
ombudsman