

complaint

Ms S has complained NewDay Ltd won't allow her to transfer the balance on her closed credit card to an alternative credit card company.

background

Ms S has had a credit card, in the name of A, since 2007. Her account is now owned by NewDay. In 2012 the previous credit card company, S, wrote to her to say they were withdrawing from this market and her account would be closed. She continued to pay off the balance by monthly direct debit.

As Ms S wanted to pay a lower interest rate than she was, she tried to transfer the balance to another credit card. This didn't work and she complained to NewDay. They said they'd done nothing wrong. Ms S brought her complaint to the ombudsman service.

Our adjudicator reviewed the evidence. He discovered it was Ms S's new card provider that wasn't prepared to carry out the balance transfer, and not NewDay. He also considered whether the interest Ms S was being charged was fair. He felt NewDay were applying interest correctly.

Ms S didn't think this was fair. She asked an ombudsman to make a decision on her complaint.

my findings

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

There are three different aspects to Ms S's complaint and I've reviewed the evidence on all of them. Unfortunately my decision is the same as our adjudicator's for roughly the same reasons. I'll explain why.

closure of account

NewDay has told us S closed all of A's accounts to new purchases back in 2012. Letters were sent to customers. I've seen the letter that I expect Ms S got at the time. Ms S doesn't think she did. But actually I'm not sure this makes any difference. Ms S told us she stopped using this card back in 2011 and set up a monthly direct debit to pay off the money she owed.

And the evidence shows she still gets monthly statements. So I'm not sure what difference getting the letter, or not, would have made.

balance transfer

Our adjudicator was able to speak to Ms S's new credit card company. They confirmed it was their policy not to allow balance transfers from closed accounts. So even if she'd asked them to carry out a balance transfer, they wouldn't have done so.

I appreciate this must be frustrating for Ms S but on this basis I can't say this is NewDay's fault.

interest charges

Ms S is still being charged monthly interest. Over the period since her account was closed in 2012, this has racked up a considerable amount. I can certainly understand why she thinks this is unfair. But I don't think NewDay has done anything wrong. Interest is being charged in line with her terms and conditions. She's getting monthly statements – and has been since her account was closed – so she's aware what her interest charges are.

Overall I don't think it would be fair to ask NewDay to do anything further.

my final decision

For the reasons I've given, my final decision is not to uphold Ms S's complaint against NewDay Ltd.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms S to accept or reject my decision before 13 January 2017.

Sandra Quinn
ombudsman