

## **complaint**

Miss M complains that NewDay Ltd hasn't sent her a replacement card since she reported her card missing. She's also unhappy about the interest rate on her account.

## **background**

Miss M holds a credit card account with NewDay. In March 2017 the interest rate on Miss M's account increased. Miss M was given the choice to close the account or keep the card and pay the higher interest rate. She decided to keep the card.

In November 2017 the card was reported lost. NewDay issued a replacement card in November 2017 but it wasn't received. Further replacement cards were issued in December 2017, April 2018, May 2018, February 2019 and April 2019 but none have been received.

In April 2018 Miss M complained about the delay in receiving her card. NewDay said there was a card production issue between March and November 2018 and awarded Miss M compensation of £150.

Miss M isn't happy she's been charged a higher interest rate when she hasn't had access to the card. She wants NewDay to revert the interest rate to the lower rate and refund any additional interest she's paid.

Miss M is also unhappy that she was offered a balance transfer which she couldn't take advantage of.

Our investigator said the delay in providing Miss M with a replacement card was excessive and recommended that NewDay pay further compensation. The investigator didn't think it was fair to ask NewDay to revert the interest rate because Miss M had already accepted these changes.

Miss M didn't agree. She felt the compensation wasn't sufficient because she still hadn't received her card. She also felt she should be refunded interest for the time she'd been without the use of the card.

## **my findings**

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

NewDay has acknowledged that there were some card production issues which meant that none of the cards issued to Miss M between March and November 2018 reached her. I think the delay in providing Miss M with a card during this time was of such a degree that further compensation is warranted. In this respect I agree with the investigator that further compensation of £200 should be paid to Miss M.

I appreciate that Miss M was without a card beyond November 2018. NewDay has said it issued a card to Miss M in February 2019 but Miss M says she didn't receive this. A further card was issued in April 2019 but this was returned to NewDay because the courier was unable to deliver it and Miss M didn't collect it from the courier.

On balance, I'm satisfied that NewDay has made reasonable efforts to provide Miss M with a card since February 2019.

Miss M has said she was previously offered a balance transfer and that she wanted to take this up but was declined. NewDay has said that Miss M isn't eligible for a balance transfer. I haven't been provided with any evidence to show that Miss M was offered a balance transfer but even if she was, it's up to NewDay to decide whether or not to accept the application. I'm unable to require NewDay to accept Miss M's application for a balance transfer.

I appreciate that Miss M wants the interest rate on her account reduced. She also wants a refund of extra interest she's paid since February 2017. Although I understand that it's been frustrating for Miss M to be without a card, I don't think it's fair to ask NewDay to reduce the interest rate or refund interest. This is because Miss M agreed to the higher interest rate in February 2017 and interest has been charged in accordance with the terms and conditions of her account. Miss M says she agreed to the higher interest rate so she could continue using the card. I appreciate that Miss M hasn't had the ability to use the card but the interest rate applied to the outstanding balance on the card as well, which existed as at February 2017. Miss M was obliged to repay that balance in any event. In the circumstances I won't be asking NewDay to refund any interest.

### **my final decision**

My final decision is that I partially uphold the complaint. NewDay Ltd should pay further compensation of £200 to Miss M.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss M to accept or reject my decision before 26 July 2019.

Emma Davy  
**ombudsman**