

complaint

Mr C complains that even though he made a payment on time to his card account NewDay Ltd posted it late. He was charged interest and fees. He was unhappy with the level of service after he complained.

background

Mr C made two payments on his card account on 1 June 2018 to make sure he didn't go over his card limit. But when he checked the balance later that day he saw NewDay had charged him interest which was dated 3 June 2018. He phoned NewDay to try and find out why this happened but they didn't seem to be able to tell him.

NewDay said it advised cardholders to make a payment 24 to 48 hours before the due date. It doesn't process payments on weekend and bank holidays so if a customer makes any payments on the due date they may not be applied in time. This is what happened on 1 June 2018. But interest charges are processed differently which is why they appeared on Mr C's statement dated 3 June 2018. It also said the interest charge wasn't the reason why Mr C's balance was over the limit.

Our investigator gave a detailed view of Mr C's complaint. He didn't think NewDay had done anything wrong in the way it applied its charges. And he could see that Mr C had raised this complaint on two occasions and each time it's refunded the over limit fees. But he did think NewDay could have been more helpful in explaining the process to him. So he felt that it should pay him £25 compensation for its customer service.

NewDay agreed with the investigator but Mr C didn't think the compensation was sufficient to cover all his phone calls. And he said NewDay's processes weren't transparent and the way interest is posted makes the statement inaccurate.

my findings

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint. Having done so I've come to the same conclusion as our investigator for very similar reasons.

I can see how strongly Mr C feels about this so I know he'll be disappointed with my decision. But I can't interfere with the way NewDay calculates and posts its payments and charges. That's the role of the Financial Conduct Authority which deals with broader issues affecting large numbers of consumers.

But it seems to me that NewDay didn't do enough to try and help Mr C understand how its processes work. So I agree with our investigator that it should pay him £25 compensation for its poor customer service. I think that's fair and reasonable in light of the inconvenience he's been caused.

my final decision

My decision is that I uphold this complaint.

In full and final settlement NewDay Ltd must pay Mr C £25 compensation.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr C to accept or reject my decision before 19 January 2019.

Linda Freestone
ombudsman