

complaint

Mr Y complains that NewDay Ltd ("NewDay") have refused to enter into a payment arrangement with him. He says this is having an impact on his credit rating.

background

This service upheld a complaint by Mr Y in January 2017 and interest and charges on his credit card were refunded to him by NewDay in March 2017. But this still left Mr Y's account in arrears and over the credit limit.

Mr Y didn't make a payment to his account until June 2017 but when the account remained in arrears it was sold to a debt collection company. Mr Y is disappointed that NewDay refused to enter into a payment arrangement with him when he called them in June and he's also unhappy about the impact this has had on his credit rating as he says it's affecting his ability to get a mortgage. He says it was also agreed in his original complaint that a payment plan would be established.

NewDay didn't uphold his complaint. They said they'd refused to set up a repayment plan in June 2017 until Mr Y's account was up to date and as he was three months in arrears at the time and hadn't made a payment to his account since November 2016 they had passed his account to a debt collection company. They didn't think they'd done anything wrong.

But Mr Y did and he referred his complaint to this service. Our investigator took a look but she agreed with NewDay. She explained that this service didn't order a repayment plan to be set up earlier in the year and she didn't think NewDay had to agree to one here. She noted that Mr Y hadn't asked NewDay about a repayment plan until June 2017 and that there wasn't enough information to suggest he was in financial difficulty or had made a reasonable proposal to settle his debt. So she didn't think NewDay needed to take any further action.

But Mr Y disagreed and he asked for a final decision by an ombudsman.

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 know it will disappoint Mr Y but I agree with the investigator's view and for similar reasons. Please let me explain why.

Where the information I've got is incomplete, unclear or contradictory, as some of it is here I have to base my decision on the balance of probabilities.

I've read and considered the whole file, but I'll concentrate my comments on what I think is relevant. If I don't comment on any specific point it's not because I've failed to take it on board and think about it but because I don't think I need to comment on it in order to reach what I think is the right outcome.

I've reviewed the decision this service made in relation to Mr Y's earlier complaint but I can't see that we instructed NewDay to agree a repayment plan. We did tell them to repay interest and charges and they did so. But even after this was done, Mr Y's account still remained in arrears and over the credit limit.

No payments were received until June 2017 and Mr Y didn't talk to NewDay about being in financial difficulty or needing to enter into an arrangement until the account was three months in arrears and NewDay were preparing to sell it. I don't think NewDay needed to take any further action. They'd advised Mr Y of the payments that would be required and provided regular statements but as Mr Y hadn't engaged with them I think it would be unreasonable to expect them to have responded differently.

Mr Y hasn't provided a copy of his credit file for me to review but NewDay has a responsibility to report account information accurately and as he's defaulted on his account this will, I'm afraid, have a negative impact on his credit file.

my final decision

For the reasons I've given above I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr Y to accept or reject my decision before 21 January 2019.

Phil McMahon
ombudsman