

complaint

Mr L is unhappy with how NewDay Ltd dealt with his credit card account. He feels a 0% money transfer wasn't applied correctly so he paid more interest than he should have.

background

Mr L had an existing credit card with NewDay and received various promotional offers from them about it. In February 2018, Mr L accepted an offer of 0% interest on money transfers for six months and agreed a money transfer of £1,800 - which was immediately paid as cash into his bank account.

Mr L continued to use his credit card as usual but shortly after, he noticed he was being charged interest on the whole outstanding balance – rather than just new purchases. So he contacted NewDay to ask them to look into this. Mr L said that after receiving conflicting information from NewDay about what the charges related to, he asked for a statement showing all the interest and charges that had been applied to his account – but he never received this.

Mr L said that he felt pressured to make the minimum credit card payments NewDay requested – despite not agreeing with them. He said he didn't want to damage his credit file by not making the payments but he felt that he shouldn't be paying them. So he complained to NewDay.

NewDay didn't uphold the complaint. They said that the interest had been applied to Mr L's outstanding balance correctly. And although the 0% interest was applicable on the money transfer, there would still be interest payable on the other purchases he'd made. They said that if Mr L didn't want to pay any interest on his credit card, then he needed to clear the balance for this spending at the end of each month.

They apologised that Mr L hadn't received the statement he'd requested but confirmed they'd sent this to him in May 2018 when he'd asked for it. They also said that they'd sent him another copy in August 2018 when they'd been made aware it he hadn't received it. Mr L didn't agree so he asked this service to look into his complaint.

Our investigator didn't recommend the complaint be upheld. She said that she couldn't see any interest had been added incorrectly to the money transfer amount. She also gave Mr L a copy of the interest amounts that had been applied – which corresponded with his monthly statements. So she didn't think that NewDay had treated Mr L unfairly.

Mr L didn't agree as he said this information didn't match what he was seeing online. So he asked for an ombudsman to review his case.

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'm not upholding it for broadly the same reasons as the investigator.

Mr L said he felt interest payments had been applied incorrectly to his balance each month and that he'd been charged interest on the money transfer. He also said that the interest shown on the monthly statements didn't match what he'd seen on his online account. I've

looked at the monthly statements, the interest summary and the interest applied each month, and based on the outstanding balances and the applicable interest rate, I'm satisfied that the correct interest amounts have been applied. However, as Mr L didn't provide the online screen prints requested by our investigator, I'm unable to confirm if these were correct.

I've looked at the monthly statements and I think it's clear in the "*Your Interest Rates*" section that the rate applicable to the money transfer was 0% until 12/08/18 - and that there were different rates applicable to different transactions when they are applied. Mr L also said he felt the interest was incorrect as it had been applied even when he hadn't made any purchases that month. I've seen there were occasions where there weren't any transactions, yet interest was applied and I've looked at the interest. But I've seen that the interest was only charged on the outstanding balance - less the £1,800 money transfer.

I've also seen that on the August statement, some interest was applied on the £1,800, however this was because the 0% interest rate was only until 12/08/18 and interest became payable on the money transfer balance from this date. So based on this evidence, I don't think NewDay have treated Mr L unfairly with the interest amounts they've applied.

I recognise that Mr L will be disappointed with my decision. But based on everything I've seen, I can't say NewDay have done anything wrong. So I won't be asking them to do anything more.

my final decision

My final decision is that I don't uphold this complaint against NewDay Ltd.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr L to accept or reject my decision before 25 February 2019.

Jenny Lomax
ombudsman