

complaint

Mr Y complains about the interest and charges that have been added to his credit card account with NewDay Cards Ltd. He is also unhappy that NewDay has added an arrangement to pay marker on his credit file.

background

Mr Y got into financial difficulties in 2008. He got help from a debt advice charity. Mr Y went into a debt management plan. He contacted NewDay. It agreed a short term interest freeze on Mr Y's account.

After three months, New Day agreed a repayment plan with Mr Y. It reduced the interest rate on his account. The repayment plan stayed in place until December 2014. The repayments and interest rate varied during this time.

In December 2014, NewDay reviewed Mr Y's account. It found that he could now make the full monthly payment. The repayment plan ended. NewDay started charging Mr Y the full rate of interest. Mr Y was unhappy with the amount he had to pay during the repayment plan.

Our adjudicator found that NewDay had done nothing wrong. She found that it had agreed a repayment plan and frozen Mr Y's interest. It then reduced the interest for an extended period of time. The adjudicator also found that NewDay's reporting to the credit reference agencies was accurate.

Mr Y remains unhappy. He wants an ombudsman to look at his case. He says that the other companies he owed money to, waived the interest.

my findings

I have considered all the available evidence and arguments to decide what is fair and reasonable in the circumstances of this complaint.

I can see that Mr Y got into financial difficulties during 2008. I can also see that he contacted NewDay to talk about his situation. Once NewDay knew about Mr Y's financial problems, it had an obligation to treat him in a positive and sympathetic way.

I have looked at NewDay's records. It froze the interest on Mr Y's account for a short period of time. NewDay agreed a repayment plan with him. It reduced the interest on his account for over five years.

I can also see that NewDay regularly reviewed Mr Y's situation. When it did this in December 2014, New Day found that Mr Y's position had improved. I am satisfied that it could start charging him the full rate of interest again.

I would point out that treating a consumer in a positive and sympathetic way doesn't mean that all interest should be automatically stopped. Each case should be considered on its own. Also, just because Mr Y's other creditors agreed to waive his interest, this doesn't mean that NewDay must do the same. Nor does it mean that NewDay has done anything wrong.

In the circumstances, I am satisfied that NewDay has treated Mr Y in a positive and sympathetic way.

I am also satisfied that NewDay should report to the credit reference agencies that Mr Y's account was in a payment arrangement. This is an accurate reflection of the position of his account.

my final decision

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

Under the rules of the Financial Ombudsman Service, I am required to ask Mr Y to accept or reject my decision before 17 August 2015.

John Miles
ombudsman