

## **complaint**

Mr B complains about the service he received from NewDay Ltd. He wants the charges refunded and adverse findings removed from his credit file.

## **background**

Mr B complains about the interest charged on his account with NewDay.

Mr B made purchases in April and May 2017. He says he didn't get his May statement and so incurred a late payment fee and was also charged interest. The adjudicator did not originally uphold his complaint as a statement was sent by e-mail in May. Following further information from Mr B, she changed her view. She could see that Mr B paid the outstanding balance off on 8 June 2017. So, she calculated interest should only have been £5.05, but Mr B was charged £32.89 interest in total. The reason appeared to be because Mr B missed his June payment. His June statement (due 3 July 2017) showed a balance of £790.67 so most of the interest was for June not May. On 8<sup>th</sup> June 2017, Mr B set up a direct debit for his future payments, and she accepted he thought the direct debit would take immediate effect. She didn't think the NewDay advisor explained that the direct debit would take time. She upheld his complaint and thought NewDay should remove the interest charged on the outstanding balance of £790.67 and remove adverse information from his credit file. She thought it fair that he pay the interest for the missed payment in May 2017.

NewDay did not agree with the new view and so asked for the matter to be considered by an ombudsman. It agreed to refund the late payment fee as a gesture of goodwill and wasn't prepared to refund interest as well.

## **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 agree with the adjudicator for much the same reasons. As the May 2017 statement was sent by e-mail to Mr B, New Day has done nothing wrong by charging interest following the missed payment. It has agreed to remove the late charge and information from his credit file.

In respect of the problems that happened in June 2017. I agree with the adjudicator, that Mr B. shouldn't be charged interest on the £790.67 due by 3<sup>rd</sup> July 2017. He set up a direct debit in June 2017, and thought this would cover his July payment. NewDay should have told him that he needed to make the July payment. I accept that it didn't do this, on the basis of what Mr B has said. His account is credible and he also contacted NewDay to complain that his direct debit wasn't set up.

I therefore uphold his complaint in part and NewDay should refund interest charged on the £790.67 and remove adverse information from his credit file.

## **my final decision**

I uphold this complaint in part. NewDay Ltd is required to refund interest charged as a result of the missed payment of £790.67 due by 3 July 2017 and remove any adverse information from his credit file.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr B to accept or reject my decision before 5 April 2018.

Clare Hockney  
**ombudsman**