

complaint

Mr P complains that NewDay Ltd made mistakes, didn't respond to his complaints and then closed his credit card account without notice.

background

Mr P telephoned NewDay (trading as Marbles) in January 2017 to discuss the arrears on his credit card. Mr P says the business agreed to waive £24 of charges as a good will gesture. The company says this was on condition he made the following month's payment on time, Mr P says he was not told about this condition, he was simply told Marbles would refund the charges when he made the next payment. Mr P did not make the next payment on time and the company did not refund the charges. Mr P complains that this was unfair. In its final response letter, the company agreed to waive £12 charges as a good will gesture, Mr P wants Marbles to refund the remaining £12.

In March 2017, Mr P asked Marbles to change the payment date on his account to fit in with the date he receives his salary. The business did not do this because the account was in arrears and it will not allow changes to payment dates when accounts are in arrears. Mr P says because of this he was late with payments and incurred charges.

Mr P complains that Marbles took longer than eight weeks to respond to his complaint.

Marbles issued its final response on 22 June 2017, on 16 June 2017 it told Mr P it was closing his account. Mr P has now set up a repayment plan, the company has not defaulted the account. Mr P complains it was unfair to close his account without notice and wants it to be re-instated. He says he was not aware the account had not been defaulted and would have repaid the arrears sooner to avoid it being closed..

The adjudicator did not recommend the complaint should be upheld. She had asked Marbles for the telephone call from January 2017, but this has not been provided. She said in any event it was fair for the company to refuse to refund the fees unless the account was brought up to date and on time.

The adjudicator said she thought it was fair for Marbles to refuse to change payment dates on accounts that were in arrears. She said she could not consider the complaint handling delay as that is not covered by this service, but in any event, a delay in issuing a final response letter does not prevent consumers from coming to this service after eight weeks.

The adjudicator agreed Marbles should have given notice before it closed the account, but said this didn't make any difference to Mr P as it was unlikely he could have cleared his arrears. This made no difference to Mr P's credit file as the account has not been defaulted.

Mr P does not agree. He says he was not told he had to make the payment on time to receive the £24 refund. He had a similar situation with another company who agreed to reinstate his account if he paid off some arrears, he believes this would have been possible in this case, if the account hadn't been closed.

my findings

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint. Where the evidence is incomplete,

inconclusive or contradictory (as some of it is here), I reach my decision on the balance of probabilities – in other words, what I consider is most likely to have happened in light of the available evidence and the wider circumstances.

Not waiving the £24 charges

Marbles has not provided the recording of the telephone conversation in January 2017. I am satisfied it is unlikely the business said it would refund the £24 charges it had agreed to waive when the next payment was made, even if that payment was late. Mr P knew that he had agreed to the terms and conditions of the account, which include making payments on the agreed date.

I do not consider it reasonable for Mr P to have believed he would receive that refund when he knew he was making a late payment. Marbles has already refunded £12 as a good will gesture, I am not satisfied it made a mistake and it would not be fair for me to ask it to do more.

Not changing the payment date

I understand Mr P would have found it easier to budget if his payment dates had been changed to be in line with the day he received his salary. I am satisfied by the time Mr P asked the company to change the payment date, he was already in arrears.

I know it will disappoint Mr P, but I don't consider it a mistake that the business has a policy not to change payment dates once an account is in arrears. I am satisfied this is a reasonable business decision and not one with which this service will interfere.

Late response to Mr P's complaint

I am satisfied the delay by the business in responding to Mr P's complaint did not prevent him from bringing his complaint to this service after eight weeks. He has not accepted the final response letter sent by the company and I cannot see the delay has caused him any inconvenience or loss.

Closure of the Account without notice

I am satisfied Marbles was allowed to close Mr P's credit card account. However I am also satisfied it made a mistake when it did not give him notice that it was intending to do this.

I have to consider what the effect of this mistake was on Mr P. I appreciate Mr P's strength of feeling, he says if he had been given notice the account was going to be closed, it was his "intention to rectify the position with the arrears".

I am not satisfied it is likely Mr P would have paid off the arrears if he had received notice the account was about to be closed.

As the adjudicator has explained, the company would have closed the account at the end of the notice period and Mr P would have needed to repay the outstanding charges, as he still does. Mr P has set up a repayment plan to clear the arrears.

I know it will disappoint Mr P, but as I am not satisfied he would have paid off the arrears in full in May or June 2017, I can't say he has been put in a worse position financially than he would have been if he had been given notice his account was to be closed.

I am satisfied the closure of his account without notice has not unfairly affected Mr P's credit file. Marbles has not yet defaulted Mr P's account so there is no record of a default on his credit record.

I am satisfied it would not be fair or reasonable for me to order Marbles to pay Mr P compensation for this mistake.

my final decision

My final decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr P to accept or reject my decision before 16 November 2017.

Charlotte Holland
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