

## complaint

Ms S complains that NewDay Ltd has charged her interest although she was supposed to be getting an interest free balance transfer.

## background

NewDay said that Ms S had an interest free offer on her card account for a year from early January 2016. The interest free offer was withdrawn because one of her payments was late, but NewDay accepted that this was because of a problem with the direct debit. It wasn't Ms S's fault. So NewDay said it would put the offer back on. But it never managed to do that. So Ms S complained a number of times, and NewDay made a number of refunds to her account.

Ms S said she didn't know whether NewDay had given her back all of the interest or not. And she said that the compensation NewDay had paid her wasn't enough.

NewDay said that it was confident it had refunded all of the interest that Ms S had paid. But it did think that it ought to pay her a bit more compensation, because it hadn't managed to restore her interest free offer, as it promised. It kept charging her interest, then giving it all back instead. So it offered her a further £60. It said she could either have this paid into her card account, or credited to a different account if she wanted.

Our adjudicator said that she'd looked at what NewDay had refunded to Ms S and she could see that NewDay had paid her back more than she had paid in interest. It had also credited £40 to her account to say sorry because Ms S had to get in touch with it a number of times to sort this out. And it was now offering an extra £60 to say sorry. Our adjudicator thought this was a fair offer.

Ms S didn't agree with that. She said she had never been told that her original balance transfer had ended, which was unacceptable. She said she'd been paying interest since February of this year, which wasn't fair. NewDay had never explained what was going on. And she didn't think that NewDay's offer of £100 in compensation was fair and reasonable. She said she'd repeatedly asked NewDay for a final figure to close her account, but never got one. So she couldn't close the account, and was stuck paying the interest. She wanted all the interest she had paid since February refunded, and a final figure provided to close her account.

Our adjudicator said that she would've expected Ms S to be aware that the balance transfer offer was just for 12 months when she took the offer out. And NewDay's letter of 15 February 2017 explained that the balance transfer plan was for 12 months at 0% interest. It stated clearly that *"The plan finished on the 7 January 2017 therefore interest will be applied each month going forward."* Our adjudicator didn't think it was unfair for NewDay to apply interest after this date.

Our adjudicator shared with Ms S some information on how this service works out awards of compensation. She said she still thought that an offer of £100 was fair.

Our adjudicator said that she couldn't see that Ms S had asked for a final figure on the account. And her statements were being sent to her, which contained information on her current balance.

Because Ms S and our adjudicator didn't agree, the case was passed to me for a final decision.

### **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've reached the same conclusion as our adjudicator, and for the same reasons.

Our adjudicator checked the interest that Ms S was charged, and the amounts she had been refunded. Our adjudicator said she was confident that Ms S had been refunded all of the interest that she was overcharged during the 12 months of her interest free offer. I've checked all the payments that Ms S made during this time, and I'm confident that her balance after the end of the interest free period had reduced in a way which is consistent with all of the money she paid being applied to reduce her balance. None of the money she paid in this time was used for interest payments. So I'm confident that Ms S has been refunded all of the interest that she was overcharged during the 12 months of her interest free offer.

Ms S said she wasn't told that her interest free offer had ended. I can see that NewDay did write to Ms S and tell her the offer was over, and she would be charged interest in the future. So I do think that NewDay told Ms S that her offer had ended.

Ms S said that the total of £100 in compensation wasn't enough for the trouble that NewDay had put her to. Our adjudicator explained how our awards are worked out. I've looked at this case carefully, and I also think that NewDay's offer of £100 is reasonable. That's in line with what I would've awarded.

Ms S said that she had tried repeatedly to get a final figure so she could close this account. Like our adjudicator, I can't see that she has done that. And she hasn't mentioned this problem to us before. That means that NewDay haven't had any opportunity to consider her complaint on this issue. So I don't think it would be fair for me to consider this as part of my current decision.

I will now ask NewDay to pay Ms S the further £60 in compensation that it has offered her. I know Ms S will be disappointed, but I don't think NewDay needs to do more than that.

### **my final decision**

My final decision is that NewDay Ltd must pay Ms S £60.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms S to accept or reject my decision before 12 October 2017.

Esther Absalom-Gough  
**ombudsman**