

complaint

Mr C complains that NewDay Ltd tried to take a direct debit payment from his account after telling him it wouldn't.

background

Mr C made a payment towards the balance on his NewDay credit card in May 2016. He was told by NewDay that as he had made a payment, the direct debit he had set up to pay it wouldn't be collected. NewDay did try and take the direct debit but Mr C's account didn't have enough money in it for it to go through.

Mr C complained and NewDay accepted making a mistake. NewDay paid Mr C £25 compensation for the wrong information it gave him and inconvenience caused.

Mr C says that in NewDays's final response letter to him, it told him he could contact NewDay to discuss his complaint. He says he tried repeatedly to do so without success. He also says he has lost faith in NewDay's systems and as a result of him not being able to discuss matters with NewDay has decided not to make any further payments towards his credit card balance.

NewDay accepts it made a mistake but says it tried to speak to Mr C on a number of occasions. It accepts it didn't return some of Mr C's calls and has offered a further £50 compensation.

Mr C complained to us and our adjudicator thought the level of compensation offered by NewDay was fair for what had happened. He didn't think Mr C's credit file should be amended and didn't think stopping all payments towards the balance was reasonable.

Mr C doesn't accept that view. He says his credit file should be amended to take account of what's happened. He would also like NewDay to accept its processes are wrong and pay him suitable compensation.

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've come to the same overall conclusions as the adjudicator. I realise Mr C will be disappointed by my decision.

There is no question that NewDay made a mistake and tried to take a payment when it said it wouldn't. I have no doubt that must have caused Mr C inconvenience and concern. But I'm satisfied that NewDay apologised for its actions and paid what I think is a fair amount of compensation of £25. Whilst Mr C may want NewDay to accept its processes are wrong that is not something I think this service can fairly ask it to do.

I've looked at NewDay's final response letter to Mr C. I can see that it told Mr C to contact it if he had any other concerns. It also told him to contact us if he wished to take matters further. I understand Mr C's frustration in not being able to speak someone but I'm also satisfied that NewDay did call him back in July and August 2016. I don't think Mr C's response to stop all payments towards his outstanding balance was either proportionate or reasonable.

I'm satisfied in those circumstances that NewDay has accurately reported the position on the account to the Credit Reference Agencies. I can see that payments haven't been made since June 2016 and that is recorded on his credit file. I appreciate Mr C says all of this has had an effect on his credit file but I think that's due to Mr C's decision to stop making any payments.

I'm also satisfied that NewDay has made a fair offer of a further £50 compensation in respect of the calls it didn't return. I think that amount reflects the level of inconvenience caused and any expenses Mr C may have incurred. I understand why Mr C may not wish to accept that offer and leave it to him to decide.

my final decision

My final decision is that NewDay Ltd has made a fair and reasonable offer to pay Mr C £50. His acceptance of that offer would be in full and final settlement of this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr C to accept or reject my decision before 6 February 2017.

David Singh
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