

complaint

Ms M complains about an increase to her credit card account limit made by NewDay Ltd.

background

Ms M has a store branded credit card with NewDay. She said that she's unhappy that NewDay has increased her credit limit from £500 to £650. She said she's always declined any offer to increase her limit. She discovered that the limit had gone up around November of last year.

NewDay said that it had written to Ms M in January 2015 to offer her an increase to her credit limit. Ms M hadn't refused that, so NewDay increased the limit. It had written to Ms M a number of times since then offering other increases, but each time she'd refused, so it hadn't made any further increases after that one. NewDay said that Ms M's credit limit had been shown on all of her statements since the increase took effect. And it would be happy to reduce her limit back down to £500 if she wanted to do that.

Our investigator didn't uphold this complaint. She said that there was no evidence to suggest that Ms M hadn't received the letter offering her a credit limit increase. It was sent to the right address. And there was no evidence to say that Ms M had called NewDay to refuse the increase. So our investigator didn't think NewDay had done anything wrong. She knew that Ms M said she hadn't realised that her limit had been increased until recently, because she rarely checks her statements, but our investigator thought it wasn't unreasonable to expect her to check those.

Ms M said she didn't agree with that. She'd never accepted a credit limit increase. But our investigator said that the increase had been applied automatically, Ms M hadn't had to accept it. Ms M said she wanted an ombudsman to consider her complaint, so it was passed to me for a final decision.

Ms M wrote to me to say that the limit was increased without her authority. She said that she was suspicious of why NewDay could confirm that all the rest of the increases were declined but not the last increase.

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 on this complaint as our investigator, and for broadly the same reasons.

NewDay wrote to Ms M to offer her an increase in her credit limit from £500 to £650 in January 2015. This wasn't the most recent offer of an increase made on Ms M's card. It was the first such offer that NewDay had ever made. I've seen the letter that NewDay sent, and it was sent to the right address, so I don't think it would be NewDay's fault if Ms M didn't get that letter.

MS M says that this increase was made without her authority. But NewDay doesn't need Ms M to agree to an increase. It writes to Ms M, and if she doesn't reply turning down an increase, it can increase her credit limit. That's what credit card companies usually do, and it's what NewDay did in this case. I don't think NewDay did anything wrong when it did that.

NewDay has records showing that Ms M has turned down all of the increases it has offered her since then. But it has no records showing that Ms M turned down the first offer. I don't think that there's any reason to suspect NewDay is being untruthful about this. I think it's more likely that Ms M didn't turn down this offer.

If Ms M doesn't want her limit increased, she can refuse the increase. I've said I don't think she did that in this case. But even if she hadn't seen the letter, that doesn't mean she has to have the higher limit. She can contact NewDay at any time and ask for her limit to be reduced, and NewDay will do that for her, as long as she doesn't owe more than the new, lower limit. I can see that the revised limit of £650 has been shown on Ms M's statements since it was implemented in early 2015. So I think that if Ms M didn't want that increased limit, she could've contacted NewDay at any time to ask for it to be put back to £500.

I know Ms M says that she doesn't check her statements often. But I don't think it's unreasonable to expect that Ms M will keep an eye on her accounts. So I don't think that it's NewDay's fault if Ms M didn't realise until recently that this increase had been made.

Ms M has sent us a news article which suggests that NewDay has made a number of mistakes with people's credit card accounts. But this complaint is only about what NewDay did when it increased Ms M's credit card limit. And I don't think NewDay has done anything wrong in this case. So, although I know Ms M will be disappointed, I don't think this complaint should be upheld.

my final decision

I don't uphold this complaint

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms M to accept or reject my decision before 4 June 2018.

Esther Absalom-Gough
ombudsman