

complaint

Mr B is unhappy that NewDay Ltd (formerly Progressive Credit Ltd), trading as Opus, being made aware of his ill-health failed to accept his debt repayment proposals, and that it has repeatedly ignored his question asking what its policy is for dealing with disabled customers.

background

Following diagnosis of a medical condition covered by the Disability Discrimination Act 1995 ("DDA"), Mr B contacted NewDay to advise of this condition and to arrange a reduced payment plan. He also asked it what its collections protocol was in respect of customers covered by the DDA.

NewDay never replied to Mr B's original letter, nor to his follow-up correspondence. Due to the personal nature of the information he had provided to it, he was very anxious not to receive a response, and to then find that his account had been passed on to a collections agency.

After Mr B complained to this service, NewDay finally issued a final response letter in which it clarified that Mr B's monthly payment offer did not match the pro rata payment worked out from his income and expenditure form, and as such it could not be accepted. It confirmed that his account had been passed to a debt management company, and that he would have to contact that company to setting up a repayment plan.

In response to Mr B's query regarding how customers who fall within the DDA are dealt with when they are referred to collections, NewDay explained that a cardholder's health is not something that it considers when agreeing a repayment plan. It went on to say that where it is made aware that a customer is experiencing financial difficulties because of ill-health, in extreme circumstances it is able to explore the possibility of writing-off the remaining balance. It added that as Mr B never requested that in his letters to it, that option was never considered.

On bringing the complaint to this service, and following our receipt of NewDay's final response, an adjudicator was of the view that the complaint should be partly upheld due to the persistent failures on the part of NewDay to deal adequately both with Mr B's initial requests for help and information, and then the complaint itself. She recommended that NewDay pay Mr B £200 for the trouble and upset caused, and to address properly his query regarding the DDA.

NewDay agreed to pay the £200, but has not provided any further information on its DDA policy beyond the information it gave in its final response letter about write-offs. In light of this, Mr B still believes that the information he has been seeking remains outstanding and has consequently rejected the offer in settlement.

Mr B wants an apology from NewDay for its customer service failures, a proper answer to his query regarding the collections procedures for people covered by the DDA, to freeze interest on his account, and to either agree to the reduced monthly payment he has offered, or to write his debt off.

my findings

I have considered all the available evidence and arguments to decide what is fair and reasonable in the circumstances of this complaint.

I am very disappointed to see that NewDay persistently failed to engage with its customer on a sensitive issue concerning his health. There is no doubt that there have been ongoing service failures in this respect.

However, having considered carefully all the submissions in this case, it seems that there has been a misunderstanding in respect of what is expected of NewDay in terms of the DDA policy. Mr B is still waiting for its policy for dealing with DDA customers at collection stage. I do not expect that such a written policy exists, and in any event I believe that NewDay has already provided the terms of its policy in its final response letter. In that it stated that in extreme circumstances on the basis of financial difficulties caused by ill-health, it can consider a write-off of a customer's debt. In terms of its general policy for dealing with customers who are considered disabled under the DDA, it will be not to treat such customers any less favourably than those who are not covered under the Act.

I therefore find that NewDay has in fact answered Mr B's request. It has given its policy. That policy will exist in circumstances where there is very little likelihood of a debt ever being repaid, and full information must be provided by an applicant to satisfy the "extreme circumstances" criteria. I do not think it would be fair for me to require NewDay to write-off Mr B's debt. It is for Mr B himself now to consider whether he fulfils the criteria, and to apply. I say this noting that he has already confirmed that his earnings have not been affected by his medical condition. He would therefore have to show how his financial difficulties are being caused, and the effect of them.

In terms of agreeing a payment plan, NewDay was not able to accept Mr B's suggested monthly contribution as it was not pro-rated with his other payments. I do not think this approach is unreasonable. It may also be that NewDay has not correctly understood Mr B's financial situation in that he says that his earnings are not affected by his condition, but perhaps his outgoings are.

Due to these findings, I am in agreement with the adjudicator's view that NewDay has failed on the customer service element of this complaint, and the decision to partly uphold the complaint in this respect. Mr B did have to wait an extended length of time for a proper response to his request, which was only provided after he complained to this service. During this time he has had the added anxiety both about his own health situation and also the fact that sensitive personal information had been provided to NewDay, which it has appeared to ignore, and his account (and therefore also this sensitive information) has now been passed on to a collections agency.

my final decision

I partly uphold this complaint on the specific area of customer service failures, and order that NewDay Ltd now pay Mr B £200, together with an apology.

Ashley L B More
ombudsman