

## **complaint**

Mr F complains that NewDay Ltd passed his credit card account to debt collectors. He says he told NewDay his payments were late because of an error with his bank. So he says it shouldn't have continued to pursue him for late payments or record them on his credit file.

## **background**

Mr F had a Marbles branded credit card with NewDay.

Around July 2017 Mr F started missing monthly repayments. He told NewDay this was the result of an error his bank had made when switching his direct debits to a new account in February 2017. Mr F says he was told by his bank to stop making payments while it sorted out the error. So Mr F didn't make any payments to New Day from July 2017 onwards.

NewDay passed Mr F's account to debt collectors in October 2017 and instructed the credit reference agencies to apply a default to his credit file in January 2018.

Our investigator didn't think Mr F's complaint should be upheld. He said it didn't look like Mr F had been making payments to NewDay via direct debit in the first place. So he didn't think it was reasonable that Mr F had stopped paying NewDay. And he said it wasn't wrong that NewDay had continued to ask Mr F to make repayments.

Mr F didn't agree with the investigator and asked for an ombudsman to look at his complaint.

## **my findings**

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

NewDay says Mr F never set up a direct debit to pay his Marbles card and it has no record of him ever completing a direct debit mandate. I've looked at the list of Mr F's direct debits that his bank gave us on another complaint and there is no record of a direct debit for a Marbles credit card.

Furthermore, I can see from Mr F's bank statements that he'd been making his repayments manually before his bank made an error with direct debits in February 2017. And he continued to make manual payments after this up until he stopped paying around July 2017. So it doesn't look like Mr F had ever paid NewDay by direct debit on this account.

Also, I've seen Mr F's credit card statements for his Marbles card. NewDay says that if a direct debit was set up there'd be something on the statements along the lines of 'your minimum payment will be collected by direct debit on xx date'. There's no such wording on Mr F's statements at any time. And I've seen statements on another of Mr F's credit cards with NewDay where a direct debit was set up. And it does contain that kind of wording.

So all in all, it looks like Mr F never set up a direct debit to pay his marbles credit card. It's possible Mr F was confused about which companies he was paying by direct debit and therefore which had been affected by the error his bank made. But in this case he didn't miss any payments as a result of his bank's error.

I've not seen any reason why Mr F couldn't have continued to make some form of payment on the account. Or explain to NewDay that he was experiencing financial difficulties – which might've resulted in a suitable repayment plan for example. Mr F says his bank told him not to make payments. I think that's unlikely for reasons I've given in another decision. But in any event as he never had a direct debit on this account, that's not an instruction it was reasonable to follow.

With everything considered, I don't think NewDay acted unreasonably when it started chasing Mr F for missed payments. I think it was entitled to record the missed payments on Mr F's credit file, apply a default and employ the use of debt collectors because there wasn't a good reason why Mr F wasn't making payments.

**my final decision**

For the reasons I've explained above, my final decision is that I don't uphold Mr F's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr F to accept or reject my decision before 12 April 2018.

Michael Ball  
**ombudsman**