

The complaint

Mr M complains that NewDay Ltd trading as Aqua (“Aqua”) sold his account to a third party who pursued him for a debt which he’s already paid.

What happened

Mr M held a credit card account with Aqua. In January 2021 he took out a debt consolidation loan to pay off some debts. Mr M contacted Aqua in January 2021 and asked for a settlement figure. Mr M was advised that the sum required to settle the account was £929.35. Mr M made the payment.

In October 2023 Mr M received a letter from a debt collection company in relation to a debt of £468.49 with Aqua. Mr M contacted the debt collection company and told them he’d settled the account in 2021. The debt collection company told Mr M it was satisfied that he’d settled the debt and closed the recovery action.

Mr M complained to Aqua. He was unhappy that there was an outstanding balance on the account when he had made a payment to settle it. Mr M wanted Aqua to pay £2000 compensation to cover his lost payment of £929.35, the impact on his credit file and the distress and inconvenience caused.

Aqua didn’t uphold the complaint. It said the last payment received to the account was for £263.83 on 24 December 2013 and that as it had received no further payment it followed its standard collections processes and sold the account on 16 December 2014. Aqua said the debt collection company who purchased the account was the new owner of the debt and any payment would need to be made to them. Aqua said that if Mr M had evidence to show that the balance on the account had been paid, he should show this to the debt collection company. Aqua also said that if Mr M had any queries about how the debt was being reported on his credit file, he should contact the debt collection company as it was their responsibly to report to the credit reference agencies.

Mr M remained unhappy and brought his complaint to this service.

Our investigator didn’t uphold the complaint. She said she’d seen evidence showing that Mr M had made payments to Aqua Mastercard, including a payment of £929.35. However, these payments hadn’t been allocated to the account which Mr M was complaining about, but to another account which was also in Mr M’s name which had been opened in August 2020. The investigator said that Aqua had provided Mr M with a settlement figure for the second account, which was the only account which was active with Aqua, the first account having been sold to the debt collection company in 2014. The investigator said that she wasn’t able to say that Aqua hadn’t handled the account properly because it no longer owned the account that Mr M was complaining about.

Mr M didn’t agree. He said it made no sense that Aqua had allowed him to open a new account in 2020 when his previous account had been sold to a debt collection company.

What I've decided – and why

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

I've reviewed the information provided by Mr M and by Aqua. Aqua has said that the last payment it received on account ending 0303 was in December 2013 and that following this, the account was sold to a debt collection company in December 2014.

When the debt collection company contacted Mr M in 2023, it referred to a debt with Aqua for £468.49. The credit file provided by Mr M from 2018 shows the Aqua account (under Hoist Portfolio Holding 2 Limited) with a balance of £468. I'm satisfied that this is the same debt.

This means that the debt for which the debt collection company pursued Mr M for in 2023 is most likely to be statute barred because more than six years have passed since the last payment on the account.

I can see that Mr M has made payments to Aqua Mastercard for varying amounts between September 2020 and January 2021, including the payment of £929.35 which Mr M has told this service he paid to settle the account. These payments were allocated to account ending 9958, which was opened in August 2020. The account ending 9958 is now settled.

Based on what I've seen, I appreciate that Mr M thought he was paying £929.35 to settle account ending 0303, not account ending 9958. He says he contacted Aqua and asked for a settlement figure. Aqua provided the settlement figure for account ending 9958, which was the only active account it held, the account ending 0303 having been sold in 2014. Aqua couldn't have provided Mr M with a settlement figure for account ending 0303 because it no longer owned this account. Only the debt collection company would've been able to provide a settlement figure for account ending 0303.

Taking everything into consideration, and whilst I appreciate that there has been some confusion about which account Mr M thought he was paying, I can't see that Aqua has made an error or treated Mr M unfairly. So, I won't be asking Aqua to do anything further.

Mr M has queried why Aqua would allow him to open a second account when the first account was sold to a debt recovery company. This wasn't part of Mr M's initial complaint and Aqua hasn't had the opportunity to investigate this, so I'm unable to comment. If Mr M wishes to pursue this he will need to raise a further complaint with Aqua.

My final decision

My final decision is that I don't uphold the complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr M to accept or reject my decision before 19 June 2024.

Emma Davy
Ombudsman