

The complaint

Mrs A complains about credit searches carried out on her by NewDay Ltd.

What happened

Mrs A has been represented in making this complaint by her mother, also Mrs A, who I'll refer to as Mrs A senior.

After accessing her credit reference record, Mrs A became aware that NewDay had carried out a number of searches on her in September and October 2019.

She says these were unauthorised and she didn't apply for credit with NewDay at the relevant times.

She believes the searches have affected her credit rating. She's in ill health at present and says she's suffered a great degree of stress as a result of the unauthorised searches.

Mrs A senior also says NewDay provided very poor customer service when she rang them to discuss the issue. She says they accused her daughter of making the credit applications and said she may have forgotten because of her ill health.

Mrs A complained to us about this. NewDay agreed we could look into it despite the fact they hadn't received a complaint about this issue. Our investigator looked into it and thought NewDay had done nothing wrong.

Mrs A disagreed and asked for a final decision from an ombudsman.

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.

NewDay have provided evidence to show the searches they carried out were prompted by applications for credit seemingly made by Mrs A. Mrs A senior appears to believe the searches were proactively and/or automatically carried out by NewDay without justification. I'm satisfied that's not the case.

At the time of the complaint, the records showed two soft searches relating to a credit card application through a high street store. And a hard search in relation to an application for a credit card with an on-line retailer.

The soft searches won't affect Mrs A's credit rating with other lenders, because other lenders won't see them.

When Mrs A senior suggested to NewDay that the applications must be fraudulent, they did the right thing and referred the matter to their fraud team for investigation.

The fraud team concluded there was no reason to suspect fraud.

They were aware Mrs A had previously loaded a 'category zero' registration with CIFAS. This would help prevent possible fraud. That registration was loaded from the same mobile phone number used in the credit applications.

They also carried out checks on all the details provided in the credit applications. Any inaccuracies might indicate potential fraud, but there were no inaccuracies.

And they checked the internet service provider for the applications, which was the same as the one used by Mrs A.

So, I'm satisfied NewDay took Mrs A senior's concerns seriously, carried out relevant investigations and reasonably concluded there was likely no fraud involved.

I should say at this point that if these *were* fraudulent applications, they didn't succeed - so Mrs A wasn't put at any risk of financial loss by NewDay.

I'm aware Mrs A senior believes NewDay might have a vested interest in recording unauthorised and unprompted credit searches. I personally can't see what advantage NewDay would gain by this activity.

But in any case, that's irrelevant. I'm satisfied the facts are that NewDay received the applications in question, carried out credit searches appropriately and took all reasonable steps to investigate when Mrs A senior suggested the applications might be fraudulent.

Mrs A senior has suggested her daughter may be subject to persistent attempts to 'clone' her identity and defraud her accounts. If there's evidence that's the case, it should be reported to the police. But in any case, I can't hold NewDay responsible for any criminal activity carried out by third parties.

We've listened to the phone call Mrs A senior made to NewDay about this matter. They asked Mrs A senior whether her daughter's ill health meant she might have forgotten making the credit applications.

I don't think there's anything wrong in that. Mrs A senior resents the implication that her daughter's health problems may have affected her memory, but I can't conclude it was wrong for NewDay to ask the question given the situation - and in particular the possibility Mrs A senior had raised that the applications may have been fraudulent.

In summary, I can't conclude that NewDay have acted in any way unfairly or unreasonably in their dealings with Mrs A and/or Mrs A senior.

My final decision

For the reasons set out above, I don't uphold Mrs A's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs A to accept or reject my decision before 25 March 2020.

Neil Marshall
Ombudsman