

The complaint

Mr W has made a number of complaints against NewDay Ltd (ND) surrounding a variety of service issues

What happened

Our investigator's background summary covered all the relevant facts and issues, and is known to both Mr W and ND, so there is no need for me to repeat them again. Instead I will focus on giving the reasons for my decision. So, if I've not mentioned something it's not because I've ignored it, rather it's because I don't think it's relevant to the issues I need to deal with.

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.

The role of the Financial Ombudsman Service is to mediate individual disputes between consumers and businesses, and to award redress where it is appropriate.

Our service doesn't have the power to make rules for financial businesses, direct that they change their processes, or punish them. That is for the regulator, the Financial Conduct Authority (FCA). We can't give businesses direction on policy or procedure. We can only say whether it is a policy or procedure which is being applied fairly and reasonably to all their customers. The FCA takes a principles-based approach to conduct regulation and lets businesses choose how they incorporate those principles into the way they deal with customers. This is reflected in the remit the FCA has given this service under the Dispute Rules in the FCA Handbook. What we recommend however can influence how businesses review their policies.

In cases where the evidence is incomplete, inconclusive or contradictory, then I work on what is known as the balance of probabilities – in other words, I consider what is more likely to have happened in the light of the evidence which is available, and the wider circumstances of the case.

In summary Mr W complains about many issues which I shall deal with under separate headings to aid clarity. ND upheld his complaint in part and made two payments to him of £25 and £125 in compensation for his trouble and upset. Mr W didn't think that was enough and had initially asked for £25,000.

Executive Complaints handler lying and ignoring e-mails - I can find no evidence to support the allegation that ND Executive Complaints handler lied. I note that he was on annual leave from 25 August 2019 and unable to respond to Mr W during that period, which I do not class as unreasonable.

The £20.00 payment on the 29 July 2019 – ND have clarified that this payment was not by BACS but by way of 'faster payment', and have confirmed they have changed their reference to this for the future. That is reasonable.

Covering up other complaints - I can find no evidence to support this suggestion, although I can appreciate that it was Mr W's perception.

Communication by telephone – ND made the decision not to accept telephone calls from Mr W. Their reasoning it seems was that there had been some difficulties with telephone communication leading ND to request that future communication was either by post or e-mail. It is always unfortunate when a business feels the need to restrict communication by telephone, but I understand that sometimes that is necessary. As ND provided an adequate alternative I cannot say they have therefore acted unfairly.

I also note that Mr W had requested two named individuals within Senior Management call him back but that was not actioned. ND explained that it is not within their process for their customers to speak directly with Senior Management, as they employ experienced Senior Complaints handlers for that purpose. That is a reasonable approach and I can't say that it is unfair.

Not corresponding by e-mail - on 2 August ND told Mr W they were unable to respond by e-mail as they did not have that facility and did not consider it secure. ND say that was correct although their Executive Complaints Team are able to send e-mails in exceptional circumstances. As such ND said no incorrect information was provided by the advisor Mr W spoke with. I am satisfied that this is ND's email policy, and therefore the advisor's statement reflected the general policy of ND.

Complaints handler's attitude on 5 August 2019 – ND have recognised and accepted that there was an initial error made in keying in Mr W's date of birth which was quickly corrected but had led to additional security questions. They accept that call and the subsequent call when passed to a manager could have been handled better, and in consequence ND have given feedback and further training has been provided to the two individuals. I think that is a reasonable.

Complaints handler's attitude on 12 August 2019 – ND have recognised and accepted that the call could have been handled better and explained why. They have apologised for their poor service and I think that is fair.

Marbles account August payment - ND accept that they told Mr W that the payment due on 9 August 2019 would be removed but failed to action it, leading to their Collections Team calling him the following day. ND apologised, refunded the late payment fee and confirmed no adverse entries were recorded on Mr W's credit file. Again that is fair.

Call on 21 August 2019 – ND have accepted that the collections agent and manager were unable to locate Mr W's account and explained why in the absence of that information they were unable to contact the Executive Complaints team. They have also apologised for their poor service and provided feedback to the two individuals which I think is fair.

Payment Holiday – a payment holiday was agreed on 29 October 2019 until February 2020. But there was a balance of £86.14 on Mr W's statement of 15 October 2019 (due on 11 November) which he did not make. ND said that this was the reason it showed as overdue on his online account. ND also assured Mr W that he hadn't needed to make that payment or any other payment during the payment holiday, and that they hadn't reported the missed payment to the credit reference agencies. ND also said they didn't offer the payment holiday earlier because Mr W had an active complaint with this service during which time they had

removed the payment due and interest from his account. They said they had also put Mr W in touch with their Customer Care Team who were able to consider the most appropriate option to meet Mr W's needs, and had discussed a reduced payment plan. But Mr W had not been keen on that as he had been told it would be reflected on his credit file. So, I think all of this demonstrates that ND acted in a fair, positive and sympathetic way to Mr W.

ICO (Information Commissioner's Office) – Mr W has raised issues concerning security information procedures and the retention of information by ND. Such issues in my view fall outside the remit of this service and if Mr W wishes to pursue them he is able to do so directly with the ICO.

Security Information - Mr W was concerned about the level of information required when he emailed ND and they have explained that the requested security information depends on the nature of the enquiry and if it is general in nature none may be necessary. I think this is a fair and reasonable response.

Incorrect balance showing – Mr W was concerned that the balances showing on his accounts online were inaccurate. ND checked and confirmed that they were accurate and invited him to check his credit report. Mr W has not taken this point further and so I make the assumption that the matter has now resolved.

Reducing the credit limit – ND have explained that when a payment holiday is in place account records are frozen which prevents ND from updating certain information such as credit limits. I understand Mr W feels that this has had an adverse impact upon him but I've seen no evidence that that is so.

Contradictory Information – ND accept that there was a contradiction in their letter of 24 December concerning Mr W being told he was not able to communicate further with the author of the final response letter. ND accept that was an error, since they had specifically invited further comment or questions, and upheld that element of the complaint crediting Mr W's account with £25.00.

So, I have found there to have been some clear failures in service here as I have identified above, but which ND have already accepted and acknowledged. However some of the complaints I have found to be not made out, as although Mr W feels he has been treated unfairly, objectively I can't say he has. So, having said that, I think the decision I have to make distils down to what the correct amount of compensation ought to be. ND paid Mr W £125 and then a further £25.

In some complaints, the problems a customer encounters don't just affect them financially, and that is the case here. Those problems can lead to the customer being caused some trouble and upset and it is only right that the business should think about what it could do to put matters right. But the trouble and upset caused needs to be balanced and measured against the ups and downs of daily life in dealing with other people, businesses and organisations, and recognising that that can be inconvenient at times.

I've also considered the level of awards this service has made for distress and inconvenience in similar cases, and putting all of this into the balance I think what ND have paid is fair and reasonable. And I think it is enough to put matters right.

So, although Mr W will probably be disappointed with my decision, I can't say ND has acted unfairly or unreasonably here and I'm not upholding this complaint.

My final decision

ND has already paid £150 to settle this complaint, and that is fair and reasonable. So my final decision is that I don't require ND to do anything else.

For the reasons set out above I do not uphold the complaint against NewDay Ltd.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr W to accept or reject my decision before 5 June 2020.

Jonathan Willis
Ombudsman