

The complaint

Mrs U is complaining that she was not awarded the right amount of recognition points by NewDay Ltd (“NewDay”) for her spending on her House of Fraser store card.

What happened

Mrs U has had issues with how NewDay have calculated the recognition reward points on her credit card. She had a complaint in 2019 which was upheld by NewDay, and then raised this complaint in 2020. I will not go into all the details of the discrepancies in points which have been discussed at length already, and on which the parties are now broadly agreed, in terms of resolution. I will instead summarise the details below of what happened, and what has been agreed on.

In resolving the dispute in 2019, NewDay explained that a change in systems meant that going forward, her balance of points would not update automatically during the month as she spent on the card but would be manually calculated and updated once a month.

Following this however, Mrs U felt that NewDay had failed to award her points for in store House of Fraser purchases from November 2019 onwards. The terms of the card said she got additional points for her purchases in House of Fraser, but these transactions did not appear to be showing on her points statements at all, so she assumed she had earned no points for them.

On top of this, Mrs U also said there was a special promotion in February 2020 where she was entitled to earn further extra points for spending in House of Fraser, which she had not been rewarded for at all.

NewDay had rejected her complaint initially in March 2020, but then reviewed this in July 2020 after finding incorrect information in the March letter they had sent. They decided to uphold her complaint and offered her £15 which they paid to her account. However, she still felt that she was due over 4000 recognition points, so brought the complaint to us. She also feels they should pay her £500 for the distress and inconvenience caused to her.

An investigator here investigated the complaint, and partially upheld it. They agreed that NewDay had not calculated the points correctly, although they found Mrs U was 2142 points short of the correct amount, not over 4000 points as she believed. They also recommended a £50 payment for the trouble and upset caused (in addition to the £15 already paid by NewDay).

NewDay accepted this view, but Mrs U didn't, and asked for a review of the case. She accepted the 2142 points offered to resolve the complaint but does not feel £50 for her trouble and upset reflects the level of distress she suffered. She said she does not feel the £65 total adequately reflects the seriousness of the complaint. She said that NewDay in her previous complaint paid her £100 compensation and this complaint is far worse and has taken far longer to resolve so caused her far more distress and upset. And she said that NewDay have failed to award her interest on the points/funds whilst her dispute has being ongoing.

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 agree with the investigation already carried out by our investigator and accepted by both sides about the points owing to Mrs U. She was not missing all her House of Fraser points; instead most of these points had unfortunately been logged in a different way on the statements, so she thought they were missing. The way the points were being reported was unclear, and I agree this caused her some distress and inconvenience. The points were included in a total which was titled "points earned elsewhere" rather than under the heading of "points earned in House of Fraser".

I have checked the calculations and agree that she was awarded the standard points for House of Fraser purchases correctly. It just wasn't clear that these had been included. The only exception to this was for the special promotional period in February.

The second part of the complaint was about this February special offer of extra points. NewDay did not believe she was entitled to these points, as they felt she was ineligible for the promotion she had highlighted. But after the terms and conditions and the website details were sourced by the investigator here, and presented to NewDay for comment, they accepted this was wrong and agreed that an extra 2142 points were due for these purchases. This recognises that she would have been due a total of 2,520 points and had only been awarded 378 points for these transactions, leaving a shortfall of 2,142 points.

Mrs U has suffered some distress and inconvenience in seeking to resolve these issues. I appreciate that she seeks £500 compensation, saying that sum adequately reflects the seriousness of the issues raised, the time taken to resolve matters, and the fact she was paid £100 previously for what she feels was a less serious and more quickly resolved complaint. But I am only reviewing this complaint and must decide on the facts of this case alone. And overall, I think the £15 initially credited to her plus the £50 recommended by our investigator is the right amount to recognise the trouble and upset Mrs U has experienced.

Mrs U felt she was due over 4000 points, which is about £40 worth of vouchers. After a full investigation, she was due around £20 worth of points that she had not been given. A further total payment of £65 for the trouble and upset caused is in my opinion fair. This reflects the upset, and trouble caused to her in order to get her resolution, to get her extra £20 of points.

Finally, Mrs U has said that she's lost interest on her points because they were not added when they should've been. But recognition points don't attract interest, so I don't think Mrs U has lost out in this way. NewDay have also offered to provide these points now either onto her account as 2142 points, or by way of a £20 voucher, or £20 cash on top of the £50 payment for trouble and upset if she prefers. I think this is fair.

Putting things right

To resolve matters, NewDay should:

- Add 2142 points to Mrs U's account balance, (or pay her an equivalent agreed cash/voucher payment if Mrs U confirms she would prefer this)
- Pay Mrs U a further £50 for the trouble and upset caused.

My final decision

My final decision is that I uphold the complaint. Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs U to accept or reject my decision before 20 May 2021.

Paul Cronin
Ombudsman