

## **The complaint**

Mr A is unhappy with how NewDay Ltd has handled a complaint about a declined transaction on his credit card.

## **What happened**

The background of this complaint is well known to both parties and has been detailed by our investigator previously. so, I'll summarise the key points I've focused on within my decision.

Mr A is unhappy that a card transaction was declined when paying for a taxi fare which caused embarrassment. He raised a complaint with NewDay but it wasn't logged and it didn't adhere to the three to five working days it said it would take to contact Mr A about his complaint.

NewDay upheld Mr A's complaint in part as detailed in a final response letter dated 4 August 2020. It agreed Mr A was advised of an incorrect timescale of three to five working days to contact him about his complaint and offered £25 compensation. But despite checking various systems, it was unable to agree that Mr A had a card transaction declined or that he had raised a complaint. However, the compensation was later increased to £50 to reflect some incorrect information that was given to Mr A.

Our investigator didn't uphold the complaint. He said there was one declined payment for £27 on 12 April 2020 and the evidence suggested the payment either didn't go through due to the rules of the Payment Services Directive (PSD), which NewDay is obliged to follow by law, or due to a processing error by the merchant. He didn't feel NewDay has acted unfairly or unreasonably.

The investigator did feel, however, that a complaint should have been logged on 12 April 2020 (the system note for this complaint wasn't found until after NewDay had issued its final response letter in August 2020) and Mr A would have been expecting a call back. But he felt the compensation offered by NewDay to recognise the failings in service was in line with what our service would award in these circumstances (initially £25 but later increased to £50).

Mr A is unhappy with the outcome of his complaint as he doesn't feel the compensation offered is reasonable. So, the complaint has been passed to me, an ombudsman to make a final decision.

## **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.

Mr A has raised a number of issues in correspondence and calls with this service. My role here is to focus on what I consider to be at the heart of the complaint, and I will only comment on those things relevant to the decision I need to make. That may mean I don't comment on everything Mr A has said, but I can confirm I've thoroughly read and considered all the evidence submitted by the parties in reaching my decision.

Regarding the declined transaction, I acknowledge the embarrassment Mr A said he experienced. Having looked at the evidence presented about the transaction, I don't feel the declination is the fault of NewDay. NewDay is obliged to follow the rules of the PSD. And NewDay isn't responsible for any errors on behalf of the merchant. So, I won't be asking NewDay to do anything further on this point.

NewDay accepted Mr A was advised of an incorrect timescale of three to five working days to contact him about his complaint. And I agree with the investigator that a complaint should've been logged when Mr A called to express his dissatisfaction about the declination of the card transaction. I can see this caused Mr A frustration, but I'm persuaded £50 compensation to recognise this impact on Mr A is fair.

### **My final decision**

For the reasons given above, I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr A to accept or reject my decision before 13 September 2021.

Angela Casey  
**Ombudsman**