

## **The complaint**

Mr C complains about NewDay Ltd (NewDay) because a direct debit was not set up for his credit card.

## **What happened**

In August 2019, Mr C opened a credit card with NewDay. The first statement for the credit card was produced in September 2019 with a minimum payment amount of £3.99; due by 18 October 2019. As a direct debit was not set up, the payment due by 18 October 2019, was not made.

In November 2019, Mr C complained to NewDay, because they didn't claim his first credit card payment through a direct debit. This caused a missed payment on his credit card account and the account fell into arrears. Mr C says that when he called NewDay to raise his complaint, he asked them to give him a call before arriving at their final decision regarding the resolution of his complaint. He says that later, about one or two weeks after he made this complaint, he called NewDay and again asked them to give him a call before making their decision. He says that on both occasions he was promised that he would be given a call, but he says that sometime later NewDay just sent him a letter instead.

In November 2019, NewDay wrote to Mr C. In this correspondence they said that a direct debit was not set up when the account was initially opened. But in this correspondence, they have also apologised for the service he received and for the fact that he had to be on the phone for over 70 minutes. They said they will credit his account with £10 for the trouble and inconvenience caused.

Mr C was not happy with this. He says he wants NewDay to give him the full amount that he claimed initially plus an additional £50 for mishandling his complaint. So he brought his complaint to this service.

Our investigator thought the complaint should not be upheld.

Mr C disagreed with the investigator.

So, the complaint has been passed to me to decide.

## **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.

In considering what is fair and reasonable, I need to take into account the relevant rules, guidance, good industry practice, the law and, where appropriate, what would be considered to have been good industry practice at the relevant time.

Where evidence is unclear or in dispute, I reach my findings on the balance of probabilities – which is to say, what I consider most likely to have happened based on the evidence available and the surrounding circumstances.

I can see from the system notes provided by NewDay that Mr C called in 1 November 2019 believing that a direct debit was set up on his account to collect payments for his credit card account. On this day NewDay set up a direct debit payment for him. I understand that Mr C says that he previously either set up a direct debit online or on the phone with NewDay. But I can see he only registered for his online access in January 2020, so I think most likely he would not have been able to set up the direct debit using his online account.

I also reviewed NewDay's system notes to see if there were any calls with Mr C prior to November 2019, when he called questioning why a direct debit was not set up. But I've not been presented with any evidence that would make me think that most likely Mr C did call to set up a direct debit before that date. So, while Mr C has my sympathy, I can't reasonably say NewDay acted unfairly in any way.

Mr C has told us that he always sets up direct debits for all his credit cards, so he is certain that he set one up for his NewDay credit card. His September 2019 statement had a request for payment; on the front of that statement it says: 'Please make a payment by 18 October 2019', and right below that it says: 'See details inside for ways to pay'. So, I think most likely this would have prompted him to question this if he thought he had already setup a direct debit.

I know that Mr C is also unhappy with how NewDay dealt with his complaint. In summary, he says that on two occasions he was promised that he would be given a call before the resolution of his complaint, but he says that instead he just got a letter. NewDay apologised for this and for the fact that he had to be on the phone for over 70 minutes. They said they will credit his account with £10 for the trouble and inconvenience caused. In the end they credited Mr C with £12 instead. Based on the circumstances of this complaint, I believe this is fair and reasonable to reflect the impact of this situation.

Taking all the available evidence into consideration, I'm not asking NewDay to take any further action.

### **My final decision**

For the reasons set out above, my final decision is that I do not uphold Mr C's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr C to accept or reject my decision before 16 July 2021.

Mike Kozbial  
**Ombudsman**