

## **The complaint**

Ms A complains about the incorrect information she was given by NewDay Ltd in relation to a credit card she holds with it.

## **What happened**

Ms A has a credit card with NewDay. In April 2020, she successfully applied for a payment holiday on the card, due to last for three months. Following this, in June 2020, Ms A said she tried to use the card to make a payment to move her belongings out of a storage facility, but the payment was unsuccessful. Ms A called NewDay and an adviser explained that there was an issue with how the payment was being processed, and suggested that she attempted the payment again, but using Chip and PIN instead.

Following this, Ms A said she still wasn't able to make the payment. She called NewDay again later that day and spoke with another adviser. They said that the information Ms A was previously given was incorrect. The adviser explained that the reason the payment hadn't been successful was because the payment holiday was still active on the account, and the terms Ms A agreed to meant that she was unable to use her card during that period.

Ms A was unhappy she had been given wrong information previously and complained to NewDay. She says she incurred fees on the day as a result of what had happened, including removal fees, despite not being able to move her belongings on the day. Ms A also says she made several calls to NewDay about her complaint and was assured she would receive a call back from someone, but this never happened.

NewDay reviewed matters and acknowledged the service it provided could've been better. It apologised for initially giving Ms A incorrect information but pointed out that she was given the correct information later that day. It acknowledged that Ms A said she had incurred fees as a result on the day and repaid these – a total of £135. It also paid an additional £120 compensation for the delays in responding to her complaint, the inconvenience of being given wrong information and the overall customer service provided – which brought the total compensation figure to £255.

Ms A didn't think this fully reflected the impact of not being able to move her belongings as she had planned. She said that because NewDay took so long to deal with the matter, she was left with no option but to leave her belongings in the storage unit which charged a monthly fee. She said these fees had built up over the period of time NewDay was reviewing matters, and she hadn't paid these because she thought NewDay was responsible for covering them. Ms A brought her complaint to our service.

One of our investigators looked into things and agreed Ms A would've been disappointed with receiving incorrect information about why her payment was declined. But he also acknowledged that NewDay had given her correct information later that day. He also explained that as Ms A was still in her payment holiday when the transaction was attempted, she wouldn't have been able to make the payment on her card anyway, even if she hadn't been given wrong information. He acknowledged the overall service NewDay provided

could've been better, but he thought the overall compensation it had paid was enough to put matters right.

NewDay didn't dispute our investigator's findings, but Ms A did and mostly repeated her earlier points. As an agreement couldn't be reached, the case has come 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.

Although a number of issues have been raised, this decision only addresses those issues I consider to be materially relevant to this complaint. However, I've given careful consideration to all of the submissions made before arriving at my decision.

Following contact from Ms A, NewDay agreed to her request for a payment holiday on her account, from 2 April until 11 July 2020. But, as a result, Ms A wouldn't be able to use her card – terms that she agreed to. Having considered this, I think NewDay treated Ms A fairly, as it took steps to assist her when she found herself in financial difficulty.

I've reviewed contemporaneous contact notes, which show that NewDay's advisers clearly explained that Ms A wouldn't be able to use her card during the payment holiday. NewDay also sent Ms A a letter dated 2 April 2020 which also explained this. So, I think both the information on calls with NewDay's advisers and the letter it sent ought to have made Ms A aware that she wouldn't be able to use her card whilst the payment holiday was active on the account.

On 30 June 2020, Ms A attempted to make a payment on her card which was declined, in line with the agreed terms of the payment holiday. Following this, she had a telephone conversation with one of NewDay's advisers, where she was given incorrect information about why the payment was unsuccessful. Whilst I acknowledge being given incorrect information would've been frustrating, I'm not persuaded that it impacted Ms A in the way she describes. I say this because Ms A was given the correct information shortly afterwards on the same day. And, NewDay had been consistent and clear prior to the mis-information, in explaining that Ms A wouldn't be able to use her card during the payment holiday. So, whilst I acknowledge the frustration in being given wrong information, I think NewDay quickly rectified matters and provided correct information later that day.

As I understand it, there was an issue with registering Ms A's complaint and NewDay didn't provide its initial final response until November 2020 – some five months after Ms A originally complained. Ms A says she made several phone calls to NewDay during this period and was promised call backs which never happened. Ms A has detailed the effects NewDay's service had on her and said the matter had a negative impact on her mental health.

I was sorry to hear about how the matter had affected Ms A. I've considered that in its response, NewDay has acknowledged the service it provided could've been better. It has said that it considered the initial mis-information it gave Ms A, the delays caused and the overall service it offered her when considering a global compensation figure. Having thought very carefully about the circumstances, and how quickly NewDay gave Ms A the correct information about her account, I think the £255 compensation it has already paid fairly reflects the impact NewDay's customer service had on Ms A.

In her testimony, Ms A says the delay in NewDay's response left her with no choice but to leave her belongings at the storage facility. She says she hasn't made the monthly payments

to the facility for close to a year because she believes NewDay should cover this, due to the mis-information it originally gave her. I'm afraid I disagree with Ms A here. As previously mentioned, NewDay gave Ms A the correct information about why she was unable to make a payment shortly after the mis-information it provided. And this reason was made clear to Ms A when she initially requested the payment holiday on the account. Therefore, whilst I can understand Ms A's concern about the situation that she now finds herself in, I can't fairly ask NewDay to take responsibility for any further costs Ms A incurred after she was given the correct information about her account. Particularly considering that Ms A wouldn't have been able to use her card to make the payment, regardless of the information NewDay gave her on the day.

Overall, I think the customer service NewDay provided Ms A with could've been better. But I think the overall compensation it has paid is enough to recognise the impact caused in the circumstances.

### **My final decision**

NewDay Ltd doesn't need to do anything more to resolve this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms A to accept or reject my decision before 12 August 2021.

Hana Yousef  
**Ombudsman**