

The complaint

Miss O complains about the way NewDay Ltd trading as Debenhams ("NewDay") dealt with refunds to her account and says that there are outstanding refunds which still need to be credited to her.

What happened

Miss O had a Debenhams store card account which was provided by NewDay. In 2019, she returned numerous items which she had purchased on the card. She says that, in 2021, she noticed that she had many refund receipts for which she couldn't see a corresponding credit on her account statements. Miss O says there are 33 missing refunds, which have a combined value of nearly £3,000.

Miss O complained to NewDay. It said that all the refunds it received from Debenhams had been applied to her account and that the account had been correctly administered. It suggested that Miss O take the matter up with Debenhams if she still felt that there were refunds outstanding. NewDay accepted that it had given Miss O some incorrect information about a chargeback claim and offered to pay her £85 for the trouble and upset caused by that. I understand that, to date, Miss O hasn't accepted this offer.

Miss O wasn't happy with NewDay's response about the refunds and brought the complaint to this service. She said she was entitled to the missing refunds as NewDay hadn't proved they'd been credited to her account or explained why they didn't appear on her statements.

During the investigation by this service, NewDay explained that there had been an issue at Debenhams at the time of Miss O's refunds which affected the way refunds were shown on customers' accounts. It said that, although the refunds were shown individually on Miss O's receipts, Debenhams combined some of them when processing the refunds. So, the entries on Miss O's statements didn't necessarily match the receipts because, on some occasions, the statement amount may be a combination of two or three refunds. NewDay said this issue was caused by Debenhams and needed to be pursued with them.

Our Investigator didn't think NewDay had done anything wrong and didn't ask it to do anything. But Miss O remained unhappy and asked for the complaint to be reviewed by an Ombudsman. She said that NewDay should provide evidence that each of the 33 refunds she was querying had been credited to her account.

I asked NewDay for the information which Debenhams had passed on to it in relation to the refunds. NewDay said it couldn't provide this as Miss O's account is closed and no longer on its system. But it said that all the 33 refunds in question had been processed to Miss O's account correctly and none were outstanding. NewDay provided a spreadsheet showing the refunds Miss O received, which has been shared with Miss O. She remains unsatisfied that the refunds have been credited to her account, so I'm making a final decision about this complaint.

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.

Miss O has provided a good deal of information and raised a number of points for me to consider. I've taken them all into account in reaching my decision. I know she feels strongly about this complaint and I'm sorry to disappoint her. But I don't think NewDay has done anything wrong here, so I'm not going to ask it to do anything. I've set out my reasons below, focusing here on what I consider to be the key points from everything I've looked at.

I've considered the spreadsheet provided by NewDay. The transaction reference numbers from Miss O's receipts are shown against certain refunds on the spreadsheet. This helps to show how some of the amounts were combined on the statement. The transaction reference numbers for all but seven of the 33 disputed refunds have been matched to credits made to Miss O's account. Miss O says she doesn't think the spreadsheet proves that the refunds were credited to her account as there is nothing to link the receipt references to lines on the statements. She says, in effect, that the spreadsheet is just NewDay's opinion of the situation.

I realise Miss O is frustrated that she hasn't been provided with all the detailed information about the refunds which she has requested. But there is a limited amount of information available due to the status of the account and the amount of time which has passed. So the evidence is incomplete and some of the available evidence is inconclusive. I'm looking at the situation impartially and making a decision on the balance of probabilities, with the information I have and in consideration of the wider circumstances. On balance, I think that 26 of the 33 refunds in question were credited to Miss O's account as identified by the transaction reference numbers shown on the spreadsheet.

For six of the remaining seven disputed refunds, I find that credits were made to Miss O's account on the same days as the receipted transactions for amounts which (when combined) are equal to the amounts of the refunds she was expecting.

For the seventh refund, I find that there were multiple credits to Miss O's account that day. Two of those have been marked on NewDay's spreadsheet as relating to this transaction and, on balance, I'm satisfied that they do. Further credits were made to Miss O's account that day which were more than enough to cover the remainder of the refund in question.

Miss O says there is no proof that these credits relate to the refunds in question and that it's just speculation that they do. But I find it more likely than not that these credits do relate to the refunds which Miss O is querying.

I realise Miss O isn't satisfied with the information provided by NewDay. But I haven't seen anything which leads me to doubt that information. I find it unlikely that combined sums equalling the exact amount of the refunds due and credited on the correct dates are not the refunds in question. And Miss O hasn't offered an explanation of what these many credits are if not the refunds. On balance, I'm satisfied that all the refunds which Miss O has queried were credited to her account.

Miss O is unhappy with the way the information has been set out by NewDay. But there isn't a specific way in which this had to be presented. And I understand the issue is (at least in part) to do with the way the refunds were processed by Debenhams. I'm only looking at the actions of NewDay here, not Debenhams. And I haven't seen any evidence that NewDay made any mistakes or acted unfairly.

Miss O says that NewDay asked her to contact Debenhams directly for information and she doesn't think that was fair. But given the nature of the account, the queries raised by Miss O and the issue with the way refunds were being processed at the time, I don't think it was unreasonable.

Miss O has also asked for reimbursement of the postage costs she incurred in sending a letter to Debenhams by special delivery. I haven't found that any refunds are outstanding or that NewDay acted unfairly here. So I don't think it needs to cover the costs Miss O incurred in raising queries or pursuing her complaint and I'm not going to ask it to pay the postage.

Miss O says that she made an overpayment of £681.70 which is shown on her 2018-2019 annual statement. The statement shows the total amount repaid as £681.70 more than the total spend on the card during the statement period. But that doesn't necessarily mean that Miss O has made an overpayment. For example, the amount repayable during the annual statement period could feasibly be more than the amount spent during the annual statement period if there was already an outstanding balance on the account relating to spending before the annual statement period. From the information I've seen, I can't safely conclude that Miss O has made an overpayment.

I realise that Miss O has spent a great deal of time on this complaint and that it has caused her much stress. I think that much of this arises from the fact that the amount shown on the refund receipts didn't always appear as a single transaction on the account statements. NewDay has explained that this was due to an incident at Debenhams, so I can't fairly conclude that NewDay was responsible for any trouble or upset arising from it. In any event, I have found that there are no refunds outstanding and I don't think NewDay acted unfairly. So I don't think it needs to do anything to compensate Miss O, for her time spent in pursuing the complaint or otherwise.

My final decision

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

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss O to accept or reject my decision before 12 October 2022.

Katy Kidd
Ombudsman