

## The complaint

Mr G, represented by his wife Mrs G, complained because he was unhappy with the amount of compensation which NewDay Ltd offered following his disputed transaction claim.

## What happened

On 19 October 2020, Mr G contacted NewDay to say he didn't recognise a £17.97 debit to his credit card. NewDay credited the disputed amount to Mr G's account while it investigated, and sent him a letter asking him to complete a declaration of fraud. Mr G didn't receive this, so NewDay re-sent the form to Mr G by email on 18 November. Mr G returned it on 21 November.

Mr G then realised that the disputed £17.97 transaction had been his genuine purchase, and not a fraud. So NewDay closed the fraud claim on 7 December, and re-debited the money from Mr G's account. The balance on Mr G's December statement showed a balance of £17.97 to pay. There was a minimum payment amount of £5 on this, but Mr G didn't pay it by the set date of 4 January, so NewDay debited a late payment fee and interest. It later reversed the fee and interest.

Mr G rang NewDay on 15 January and was promised a call back, but this didn't happen. Mrs G has explained that they spent hours ringing NewDay, not just that day but on other occasions too. They had to wait a long time on each call, and felt NewDay was ignoring them.

On 28 January 2021, Mr G got through to NewDay. He explained that he'd paid for the transaction by debit card, direct to the merchant, soon after he'd received the NewDay credit. So he felt he'd paid twice, as the money had been re-debited from his NewDay account.

NewDay raised a dispute, and sent Mr G a declaration to complete and return within 14 days. NewDay chased Mr G for the form on 12 February, but Mr G didn't return it. So NewDay wrote to Mr G on 2 March, saying that as it hadn't received the form, it would hold him liable for the £17.97 and all associated interest and charges. It closed the dispute.

Mr G complained. They hadn't returned the second form because they'd already completed one, and they were also unhappy about NewDay's service.

In its final response to Mr G's complaint, on 9 March, NewDay explained that the reason it had charged the late payment fee and interest had been because the December statement showed a balance of £17.97, and Mr G hadn't made the minimum payment by 4 January. But it reversed the late payment fee and interest on 28 January.

NewDay also explained that as Mr G hadn't returned the dispute form which it had sent him in January, and chased on 12 February, it couldn't take his dispute further. But it apologised for Mr G's 15 January call not having been returned, and paid him £30 compensation.

Mr G rang NewDay on 25 March, saying he wasn't happy with £30. NewDay offered him an extra £15, making £45 in all. Mr G didn't accept this and complained to this service.

Our investigator didn't uphold Mr G's complaint. She said that NewDay had followed the right processes after Mr G had said the £17.97 transaction was fraudulent in October. And as Mr G hadn't sent back the form when he later raised a dispute about the same transaction, NewDay couldn't continue with it. For the failure to return a call and poor service, NewDay had re-credited the late payment fee and interest, and had paid £30, with an offer of a further £15. So she didn't consider NewDay need to anything more.

Mr G didn't agree:

- He asked why NewDay couldn't have used the first declaration form for the January 2021 dispute, which he'd completed and returned in November 2020;
- He said he was complaining about how much time he'd spent trying to sort this out, with little communication and help from NewDay. He said that it was very convenient that NewDay didn't have phone call recordings which would show how much time he'd spent trying to sort it out. And he said some of NewDay's staff had insufficient knowledge and preparation;
- The fraud declaration form had arrived by email on 18 November but it had given a date of 16 November for its return, which had already passed;
- Mr G said it wasn't the first time he'd been treated shabbily by NewDay as it had twice before tried to get out of its obligations. He'd made the complaint to highlight this, and if NewDay got away with it, it would continue to treat customers the same way.

He asked for an ombudsman's 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.

I recognise that Mr G has found this a very frustrating experience. I've listened to the phone call from when Mr and Mrs G rang our service about the complaint, and it's clear that they are very disappointed by NewDay's service. I'd also explain that our role is to look at the individual details of a complaint, and it isn't to fine businesses so they treat other customers better in future – that's the role of the regulator, the Financial Conduct Authority (FCA).

Mr G would like more compensation than the £45 total which NewDay has offered. So I've looked at what NewDay did in relation to the disputed transaction, and also the service it provided.

For clarity, I need to set out that there are two separate matters which Mr G raised with NewDay. Both relate to the same £17.97 transaction, but:

- one was a disputed transaction which Mr G raised in October 2020, when he believed he hadn't authorised it and someone else had done so fraudulently – in other words, it was a fraud claim;
- The other wasn't a fraud claim, but a dispute claim, about having paid twice. Mr G raised this in January 2021. This was after he'd realised that the transaction was genuine after all. Mr G explained that after NewDay had issued the temporary credit, he'd realised it was his own transaction, so he'd paid for it separately by debit card. Then when NewDay re-debited it, it meant he'd paid for it twice.

Having looked at NewDay's actions about the fraud claim and the dispute claim, I find that NewDay followed the correct processes. It's standard to require a declaration / disclaimer form in these circumstances. I recognise that Mr G didn't receive the first form for the fraud claim, and he's unhappy that when the email replacement form was sent on 18 November, it had a reply-by date of 16 November, which had already passed. But he returned this form, and NewDay then went ahead with investigating. It gave Mr G a temporary credit while it investigated, and when Mr G told it that he had authorised the disputed transaction himself, it re-debited this and closed the claim. So this process was followed correctly.

I do understand that Mr G feels that, having completed the fraud declaration in November, he shouldn't have had to complete another one in January for the dispute claim that he'd paid twice. But they were two quite different issues: fraud, and having paid twice. They'd be looked at by different departments, and by people with different specialist knowledge. So I don't consider it was unreasonable for NewDay to have asked for two forms.

I also don't think it was unreasonable for NewDay to have closed Mr G's dispute claim, when the January 2021 form wasn't returned. It had asked for this in 14 days, and had sent a reminder on 12 February, before closing the claim on 2 March.

So in terms of processes, I can't say that NewDay failed to do what it should have done.

Looking at the service NewDay provided, I recognise that Mr G would have liked this service to have had access to all the phone call recordings of his calls, so we could see exactly what they went through trying to sort this out with NewDay. But we don't always have all the evidence we'd like, and when that happens I take my decision on what I think is more likely than not to have happened.

Here, I don't doubt that Mr G had problems getting through to NewDay, or that it took nearly an hour to get through, on several occasions. And NewDay didn't return the call he made on 15 January 2021. I sympathise with this experience, but in late 2020 and early 2021, the Covid pandemic meant that many organisations were under pressure, meaning that waiting times were considerably longer than normal.

Looking at what NewDay has so far done and offered, it's

- paid £30 compensation;
- refunded the £12 late payment fee, and the interest, charged when Mr G didn't make the minimum payment towards the £17.97 balance after his December 2020 statement; and
- offered a further £15.

Bearing in mind that NewDay didn't act incorrectly about the processes around the disputed transaction, I consider this total was fair and reasonable in all the circumstances of this complaint.

### **My final decision**

My final decision is that I uphold this complaint. NewDay has already made an offer to:

- refund the £12 late payment fee, and the interest, charged after his December 2020 statement; and
- offered a total of £45 compensation for poor service, of which it has already paid £30.

I endorse that as a fair and reasonable conclusion to Mr G's case. So my decision is that NewDay should pay Mr G the remaining £15 which it has not yet paid.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr G to accept or reject my decision before 5 July 2022.

Belinda Knight  
**Ombudsman**