

## **The complaint**

Mr C has complained NewDay Ltd, trading as Amazon Classic, didn't refund fraudulent transactions and managed his fraud claim poorly.

## **What happened**

In 2020 Mr C was in hospital for a prolonged period and his home was burgled. He noted two transactions made with his Amazon credit card for £449 and £584.99 which he'd not made. He complained to NewDay.

NewDay made chargeback claims. In error NewDay initially credited Mr C's credit card twice: in both September and October 2020. Mr C took the opportunity to transfer nearly £700 to his current account and also continued to use his credit card.

NewDay then corrected Mr C's credit card account by re-debiting the disputed amounts. They also re-debited £584.99 as the chargeback request proved unsuccessful.

Mr C was unhappy with the impact this had on his account as he was now in debt and felt this was NewDay's fault. Subsequently the retailer (who I'll call A) confirmed all the items purchased in September 2020 should be refunded and refunded £89.99 as part of the £584.99. This left £495 outstanding.

Mr C had complained to NewDay as his account had been suspended and then brought his complaint to our service. NewDay offered Mr C £85 for the inconvenience caused. He didn't believe that was sufficient and wanted as a minimum the debt on his credit card to be written off.

In discussion with our service, NewDay increased their offer of compensation to £150. They also agreed to facilitate the further £495 refund from A and remove adverse data from Mr C's credit record. Our investigator felt this offer was fair and reasonable but Mr C disagreed.

He felt NewDay's actions had contributed to the problems he'd had with his health, as well as his need to move house after the burglary, and wanted them to do more.

Mr C's complaint has been referred to an ombudsman for 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.

Having done so, I've reached the same outcome as our investigator. I'll explain why.

I can confirm Mr C has subsequently raised a number of other fraud claims with NewDay. These aren't the subject of this complaint but we have shared NewDay's findings on this issue with Mr C. If he disagrees, he can arrange for a further complaint to be set up to review those claims.

I've asked Mr C to provide us with evidence of his stay in hospital and the current state of his health. I've not received this.

I also note A has agreed that refunds should apply to the two transactions Mr C originally disputed from September 2020 because they received the original goods back. This doesn't suggest to me, as Mr C has claimed, that he was necessarily a victim of fraud.

That said there's no doubt that NewDay's actions in applying credits twice to Mr C didn't help matters. It's certainly made Mr C's statements extremely confusing so I appreciate why he's unwilling to accept NewDay has now sorted things out. I have reviewed the transactions in detail and believe – apart from £495 – there are no outstanding issues on Mr C's account. Mr C hasn't been able to show that NewDay hasn't now got things right.

Mr C has questioned the transaction of just under £700. NewDay has been able to show this credited Mr C's current account so I don't agree with his argument that he ended up out of pocket. I appreciate he's told us he wouldn't have spent as much if he'd known the money in his account wasn't his and I've taken this into account.

Overall I agree NewDay did do something wrong and caused problems to Mr C.

### **Putting things right**

NewDay has offered to pay Mr C £150 in compensation, as well as ensure any adverse information on his credit record is removed. They've also stated they will ensure the error has no impact on the interest and fees he was charged. They will also arrange to get the further refund of £495 A has offered to Mr C.

Like our investigator I believe this offer is fair and reasonable. I think the compensation is right for what happened here. I did ask Mr C if he could provide us with some evidence of his hospital stay and his current health but he didn't provide us with anything I could consider further.

### **My final decision**

For the reasons I've given, my final decision is to instruct NewDay Ltd, trading as Amazon Classic, to:

- Arrange the refund of £495 from A;
- Refund any interest and fees applied to the account for the relevant period;
- Remove any adverse information added to Mr C's credit record; and
- Pay Mr C £150 for the inconvenience caused.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr C to accept or reject my decision before 22 April 2022.

Sandra Quinn  
**Ombudsman**