

The complaint

Mr S complains that NewDay Ltd, the issuer of his Amazon credit card, applied a late payment marker to his credit file.

What happened

Mr S says that NewDay allowed Amazon to use his credit card without his permission in February 2022 resulting in a late payment for the transaction. He says NewDay reported this to the credit agency despite him paying the transaction in full on 30 April 2022. Mr S says he lost a remortgage product as a result and had to take a product costing him £10,000 more.

NewDay explained that Mr S's credit card had a balance of £349.94 on his statement dated 15 February 2022. It said it then collected two £100 direct debits in each of March and April for which Mr S raised a direct debit indemnity claim saying the direct debits were unauthorised. NewDay says that, when the payments were reversed, the account went into arrears and it recorded a late payment on his credit file in April 2022. Mr S paid the full balance on 30 April 2022 but asked for his credit file to be amended when he noticed the late payment marker on 21 July 2022. NewDay says Mr S was given an incorrect email address, so did not receive a response to his request or a letter to confirm his account balance was zero, or a call back that he was promised. It amended Mr S's credit file, sent him a letter confirming the zero balance and offered him £140 for the poor service.

Our investigator did not recommend the complaint should be upheld. She found the actions taken by NewDay were fair in the circumstances and was not persuaded the information it reported impacted Mr S's ability to get a re-mortgage.

Mr S responded to say, in summary, that the transaction should have been processed by an alternative credit card and when that failed, for whatever reason, his Amazon credit card, issued by NewDay, was charged without his authorisation.

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.

With regard to Mr S's complaint about the administration of his credit card account and the customer service he received, I find NewDay has responded reasonably by:

- Removing the late payment markers from his credit file;
- Refunding interest applied to his account;
- Offering £140 for the incorrect email given, the missing letter confirming the card's balance and the lack of a promised call back.

I acknowledge Mr S says his mortgage offer was rescinded on the basis of the information in his credit file, and that this cost him an additional £10,000. Whilst I accept that Mr S's credit file showed two missed payments until it was amended, I cannot agree that any consequences should be attributed to the actions of NewDay. I say that because:

- NewDay was not responsible for the initial transaction being applied to the Amazon credit card. Although I do not doubt Mr S when he says he intended the transaction to debit an alternative card, it is Amazon, and not NewDay, whose system enabled the purchase to be authorised on the alternative card;
- I have seen evidence that Mr S authorised a £100 direct debit to be set up on his credit card account and I am satisfied that NewDay did nothing wrong when it processed the two direct debits;
- Whilst I understand that Mr S did not recognise the direct debits, when he raised the indemnity claim the payments were reversed on 21 April 2022, leaving the account in arrears. Again, I can't conclude that NewDay is responsible for that;
- As all financial organisations are obliged to accurately report the status of each account, I find NewDay correctly reported the two late payments when it submitted the information on the last working day in April – 29 April 2022;

Although Mr S was given over two months to obtain it, I haven't seen any evidence to show that the reported late payments were directly responsible for Mr S having to take a more expensive financial product. But even if that was the case, I am satisfied that NewDay did nothing wrong when it reported the late payments as it did.

So, in summary, I don't find NewDay was responsible for the additional £10,000 Mr S says he will now need to pay for his re-mortgage product, and I am satisfied it acted fairly and reasonably by removing the late payment markers, refunding the interest incurred and offering Mr S £140 for poor customer service.

My final decision

My decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr S to accept or reject my decision before 8 March 2023.

Amanda Williams
Ombudsman