

## **The complaint**

Mrs F complains that NewDay Ltd trading as Marbles delayed processing a refunded transaction to her credit card account.

## **What happened**

Mrs F used her NewDay credit card to pay for some flights in January 2020. The flights were subsequently cancelled by the airline due to the Covid-19 pandemic.

The airline refunded the tickets on 21 September 2020. But the funds weren't received into Mrs F's account with NewDay. Mrs F says she called both parties and was told by the airline that the refund had been processed and by NewDay that the refund hadn't been received.

Ultimately, it was found that the card Mrs F used to pay for the flights had been stopped and a new card – with a new card number, had been issued. As the airline had refunded the payment to the old card number, the payment hadn't been automatically applied to Mrs F's account. NewDay transferred the funds to Mrs F's account on 27 October 2020.

Because of the delay, and the funds not being available when she needed them, Mrs F says she incurred additional costs when making a visa application as the visa application fee had increased on 27 October 2020. So, she complained to NewDay.

NewDay looked into Mrs F's concerns. It acknowledged that there had been a delay in applying Mrs F's refund to the new account as the airline had applied the refund to her old card number. And it applied £20 compensation to Mrs F's account by way of an apology. Mrs F didn't think this went far enough, so referred her complaint to this service.

One of our investigators looked into the matter. She said NewDay had told us that it no longer held recordings of the calls Mrs F says she made to NewDay about the refund. But she thought it was most likely that Mrs F had called given she was expecting a refund and hadn't received it. And she thought NewDay could have done more to help Mrs F between 21 September 2020 and 27 October 2020. And that it should have been able to identify sooner that the refund had been applied to the old card number. And she recommended that NewDay increase the compensation payment to £100.

Mrs F told us she didn't think £100 was sufficient. She said she had saved some of the money needed for the visa application and was waiting on the refund to make up the required amount. She said she wouldn't have incurred the additional costs had NewDay applied the refund to her new account when she first contacted it. The investigator considered this but wasn't minded to change the outcome she'd reached.

NewDay didn't agree that further compensation was due. It said it had no record of Mrs F contacting it about the refund until 20 October 2020 after which the refund was traced and allocated to the new account on 27 October 2020.

As agreement couldn't be reached, the complaint was passed to me, and I issued a provisional decision.

## **What I said in my provisional decision dated 8 December 2022**

*It's not in dispute that the visa application fee increased 27 October 2020. Mrs F applied for the visa on 9 November 2020. In doing so, she paid more than what she would have done had she applied before the fee increased.*

*The crux of Mrs F's complaint is that she says she was reliant on the refund to pay the visa fee. And had NewDay applied the funds to her account sooner, she would have been able to apply for the visa before the fee increased. And she would like NewDay to cover the additional cost she incurred.*

*I've thought about this carefully and I make the following observations:*

- It is primarily for the merchant (in this case the airline) to ensure that the refund is made promptly. There is no dispute that the airline made the refund on 21 September 2020. But it used the card details Mrs F provided when she purchased the flight tickets. But by then Mrs F's account and card details had changed. I can't fairly conclude that NewDay is to blame for that. It's unsurprising that it wasn't able to apply a refund made by reference to a card that was no longer active in the first instance.*
- Mrs F says she was reliant on the refund to cover some of the cost of the visa. But I've not seen enough to persuade me that she didn't have access to the funds she needed from elsewhere – either from her own money, available credit or assistance from family and friends. For example, I've seen that prior to the increase in the visa application fee on 27 October 2020, Mrs F had a nil balance on her credit card with an available credit limit of £2,650. And while she has provided some information about her employment and income including some personal bank statements relating to account ending \*4565, I've also seen other information which suggests she holds at least one other account ending \*0110. So overall, I'm not persuaded Mrs F couldn't have paid for the visa sooner than she did from other sources.*
- In any event, even if Mrs F didn't have access to other funds elsewhere, Mrs F paid for the flights in January 2020 intending for them to be used. And, from what she's said, she would have always needed to pay for the visa application. So, had it not been for an event beyond her control – the covid-19 pandemic, I'm satisfied Mrs F always intended to pay for the visa application and the flights. And when she paid for the flights, she didn't expect them to be refunded. So, I'm not persuaded that the payment for the visa application was reliant on the flight ticket payment being refunded.*
- NewDay applied the credit to Mrs F's credit card account on 27 October 2020 and transferred it to her bank account. Yet Mrs F didn't pay the visa application fee until around two weeks later. As there was a delay between Mrs F receiving the refund and paying the visa application fee, I'm not persuaded that Mrs F would've paid for the visa application any sooner even if the refund had been applied to account before 27 October 2020.*

*Given the above, it follows that I'm not persuaded that NewDay is responsible for Mrs F having to pay an increased fee for the visa application. So, I'm not going to ask NewDay to pay more compensation than it already has.*

### **Responses to my provisional decision**

NewDay accepted my provisional decision. Mrs F didn't. She explained, in detail, why she thought my provisional decision wasn't fair and why I should require NewDay to pay her the compensation she asks for.

### **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.

Mrs F has provided a great deal of further comments and evidence. I'm not going to respond to every single point she has made. No discourtesy is intended by this. Our rules allow me to take this approach. It simply reflects the informal nature of our service as a free alternative to the courts. If there's something I haven't mentioned, it isn't because I've ignored it. I haven't. I'm satisfied I don't need to comment on every individual point to be able to reach what I think is a fair outcome.

Having considered everything again, I'm still not persuaded that I can fairly and reasonably require NewDay to pay Mrs F for her alleged loss. I'll explain why.

Even leaving aside most of the points I made in my provisional decision, prior to the refund being applied to her NewDay credit card account, Mrs F had sufficient available credit on that NewDay credit card account to cover any shortfall in her savings to meet the cost of the visa application.

Additionally, Mrs F had said that she had borrowed money from family in the months leading up to the refund, which she paid back around September 2020. So, I think it's more likely than not she could have borrowed money from her family again. And she could also have sought to borrow money from elsewhere.

I appreciate that the above methods might not have been Mrs F's preferred way of paying for the visa application fee – but they were options available to her. And therefore, I'm not persuaded she was reliant on the airline refund.

I accept Mrs F wanted to wait for the refund before paying for the visa application fee. But if it was urgent, as she says it was, I find it's more likely than not she could have paid for it from other sources. Instead, she waited on the refund and holds NewDay responsible for that delay. And she now expects NewDay to pay her more compensation than the refund was worth. I don't consider that a fair and reasonable outcome to this complaint when the alleged loss could more likely than not have been avoided by Mrs F.

Mrs F feels strongly about this matter. But I must approach things objectively, and having done so, I'm not going to ask NewDay to pay more compensation than it already has.

This decision ends what our service can do for Mrs F. She can however reject my decision and take the matter up elsewhere.

### **My final decision**

For the reasons I've given above, I don't uphold Mrs F's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs F to accept or reject my decision before 23 February 2023.

Sandra Greene  
**Ombudsman**