

The complaint

Mr T complains that NewDay Ltd trading as Amazon Platinum MasterCard unfairly declined a payment he tried to make.

What happened

Mr T opened an Amazon branded credit card with NewDay in December 2021. NewDay sent Mr T a credit card that required activation before being used. In addition, the credit card also came with an “instant spend” facility that allowed Mr T to spend up to £500 via his Amazon account before the physical card was received and activated.

Up to April 2022, Mr T spent a total of £491.09. In May 2022 Mr T attempted to purchase something for £35 but the payment was declined.

Mr T contacted NewDay and complained. Mr T said he hadn't received the credit card NewDay sent him when he opened his account. A new card was ordered. Mr T also said NewDay had failed to explain the “instant spend” facility when he opened his credit card.

NewDay sent Mr T a final response and said his payment had been declined as his credit card hadn't been activated. NewDay also said Mr T's account included the instant spend facility which had been used to make previous payments but that the limit had been reached. However, NewDay paid Mr T £40 to apologise for the inconvenience caused.

An investigator at this service looked at Mr T's complaint. They thought NewDay had dealt with Mr T's case fairly and didn't ask it to take further action. The investigator also said we couldn't consider Mr T's concerns regarding how NewDay had dealt with his complaint. Mr T asked to appeal and said he was unhappy we're unable to look into how a business handles a complaint. Mr T also said he was unhappy he'd been able to use his account until the payment in May 2022 was unexpectedly declined. As Mr T asked to appeal, his complaint has been passed to me to make a 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.

When Mr T opened the credit card it came with an instant spend facility with Amazon. The facility meant Mr T's credit card details were added to his Amazon account with the ability to spend up to £500 before the physical card was required to further payments. Mr T's told us NewDay failed to make the instant spend facility clear when he opened the account. NewDay's provided a copy of its account terms and Mr T's credit agreement. They say Mr T may be offered the instant spend facility to allow payments to be made as soon as the account was opened. Amazon's website was linked and included details of the instant spend facility which allowed Mr T to spend up to £500 without before being required to use the card NewDay provided.

I'm sorry to disappoint Mr T, but I'm satisfied the details of the instant spend facility were set out at the point his credit card was approved.

NewDay's provided evidence of the payments Mr T made using his account. They totalled £491.09 with the last payment being made April 2022. So when Mr T tried to make the payment of £35 in May 2022 it took him over the instant spend limit of £500. That meant further payments needed to be made and authorised using the physical card. I'm unable to agree that NewDay made a mistake when it declined Mr T's payment.

NewDay's provided evidence that shows Mr T's original card wasn't activated. And when NewDay responded to Mr T's complaint it confirmed a new card had been issued and would need to be activated before he used the account to make payments. I understand Mr T doesn't recall receiving the original card, so I'm pleased NewDay took steps to issue a replacement. I'm satisfied that was a fair response to the issues Mr T raised after his payment was declined.

In my view, NewDay provided information how his credit card operates when it was opened. And NewDay's approved payments up to the £500 instant spending limit. The information available shows NewDay correctly declined Mr T's payment in May 2022 and issued a replacement credit card. I'm very sorry to disappoint Mr T but I haven't been persuaded NewDay acted unfairly.

When Mr T called NewDay to query the declined payment it wasn't initially explained that he'd gone over the instant spend limit. NewDay paid Mr T £40 to apologise for the service provided. I'm satisfied that's a fair way to resolve Mr T's complaint and recognises the impact of how his queries were handled.

Mr T's raised concerns about how NewDay handled his complaint. But, as our investigator has said, we can only look into complaints that are covered by the rules we operate under. The full details can be found in the Dispute Resolution Rules as set out by the Financial Conduct Authority. In short, they say we can consider complaints about various issues, including regulated activities. But complaint handling isn't a regulated activity or an issue that our rules allow us to consider in its own right. So I'm unable to consider how NewDay handled Mr T's complaint as part of this case.

I'm very sorry to disappoint Mr T as I can see how strongly he feels in this matter. But as I'm satisfied NewDay has already paid a settlement that is fair and reasonable in all the circumstances, I'm not telling it to increase the award or do anything else.

My final decision

My decision is that NewDay Ltd trading as Amazon Platinum MasterCard has already paid a settlement that is fair and reasonable in all the circumstances.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr T to accept or reject my decision before 16 February 2023.

Marco Manente
Ombudsman