

## **The complaint**

Mr H complains that NewDay Ltd, trading as BIP have lost £600 which he paid towards his digital credit card account.

To put things right Mr H wishes for NewDay to pay £600 to his account, the interest he's been charged to be adjusted to reflect the payment, and he would like to ensure his credit file is not affected. Mr H is also looking for some compensation for having to sort out the matter.

## **What happened**

On 11 October 2022 Mr H says he paid £600 to clear a large portion of the outstanding balance on his account with NewDay.

On 9 November 2022 Mr H emailed NewDay to say he had a query about the £600 going missing, and made a reference to this having happened before with another large payment.

Mr H provided a screenshot of his bank statement to show that £600 had left his bank account.

As NewDay did not respond in full within the timeframe to consider the complaint, Mr H brought his concerns to this service.

Our Investigator did not uphold Mr H's complaint. After looking into the matter, they concluded that the £600 had not in fact left Mr H's bank account, so the Investigator could not find that NewDay had done anything wrong.

Mr H disagreed as he said his statements showed a payment leaving and never returning to his bank account. The Investigator clarified that it did not appear the £600 had ever left his account.

As a resolution could not be reached, the complaint has come to me to decide.

## **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 for broadly the same reasons.

I'm aware Mr H has said he previously had a large payment of £500 that went missing, and which he said NewDay investigated and then paid into his account. NewDay's submissions in relation to this are that the £500 was paid as a gesture of goodwill. So there's not enough here for me to say that this supports what Mr H has said happened with the £600 payment now in question.

Mr H's copy of his statement shows an entry dated 12 October 2022, which shows £600 as 'money out' to Bip on 11 October 2022.

During the investigation, Mr H told our Investigator that he only ever uses the NewDay app to make his payments to the account. And in turn NewDay confirmed to our Investigator, with supporting evidence, that Mr H had accessed the app on 10 October 2022 and 15 October 2022, but not on 11 October 2022.

In view of the above, there appears to therefore be a discrepancy between Mr H saying he used the app to make the payment -with his statement showing the date he did this- and NewDay's records showing when Mr H used the app. Neither party have put forward any suggestion of problems with the app around this time, so it's difficult for me to know what exactly has happened here.

That said, it seems to me Mr H's main point is that the £600 is shown as 'money out' and the subsequent statements through to January 2023 do not show the money being returned to his account. For this reason Mr H believes NewDay must have the money.

I've reviewed the statements made available from Mr H and I agree with him in so far as being able to say it does not appear that a payment of £600 was paid into his account in the months from October 2022 to January 2023. However, to have an expectation that money should be returned, I think it would first be reasonable to consider whether the money in fact left Mr H's account.

The statement entry dated 12 October 2022, which Mr H has provided, shows that £600 is logged as 'money out' on 11 October 2022. What is important to note is that Mr H's balance on 11 October 2022 is £163.82, and the closing balance on 12 October 2022 is £76.24. During their investigation our Investigator also approached Mr H's bank for information about the transaction leaving Mr H's account.

Mr H's bank provided copies of Mr H's statements from their internal records, and these also show that on 11 October Mr H's balance was £163.82 and that the closing balance on 12 October 2022 was £76.24. For completeness, the balance on Mr H's bank account on 10 October 2022 was £103.82.

However, the bank's statements do not show the transaction for £600 at all, but do show three outgoing transaction entries on 12 October 2022, whereas Mr H's copy shows only two. The three transactions (£5.08, £12.50 and £70) amount to the difference between the two balances noted above for 11 October 2022 and 12 October 2022.

Given the statements from both Mr H and Mr H's bank show the same balances for 11 and 12 October 2022, and the three transactions noted above are the difference between these two balances, I think it's reasonable to say the statements from Mr H's bank are more likely than not an indication of the transactions that actually went through Mr H's bank account.

As the transaction in question was for £600, and Mr H's available balance at the time in question was £163.82 (or £103.82 if I were to consider Mr H made the transaction a day earlier as per NewDay's records of when he accessed the app), in either case I think it's reasonable to have expected that the bank account balance would have fallen into a negative balance (or an overdraft facility) if the transaction had gone through and left Mr H's bank account. But it did not, as the balance at the end of 12 October 2022 was £76.24.

I've also noted that Mr H's bank account is a basic bank account. These types of bank accounts have limited banking features available. For example they do not provide overdraft facilities. This is to help prevent customers becoming overdrawn and going into debt. With

these accounts it is therefore important for customers to have enough money in their account before making any payments.

NewDay have searched for the payment of £600 not only through the app, but also checked other payment channels their customers use (despite Mr H maintaining he only ever used the app) and they have not been able to find the payment in question.

Given Mr H didn't appear to have enough in his bank balance or access to an overdraft facility, and taking into account his bank account balances as described above, it doesn't appear Mr H had enough money in his account to have made the £600 payment. Or likely that his bank would have allowed such a payment to go through given the type of account he had. So I think it's more likely than not Mr H's payment of £600 did not leave his bank account. And I think it's reasonable to say this goes some way to supporting why NewDay have therefore been unable to find the payment.

On balance, I've therefore not seen enough to make me think NewDay have done anything wrong here given they've searched for the payment and cannot find it, and Mr H's statements suggest more likely than not that the money never left his account.

I understand Mr H feels strongly about ensuring his credit file is not affected by these events. I've also noted that when Mr H first called our service he told another of our Investigators that he did not wish to make any payments towards his account until NewDay found the money in question, as he felt otherwise NewDay would not sort things out for him.

While I understand why Mr H said he wished to not make any further payments towards the account, I'm mindful that when he entered into the credit agreement with NewDay he agreed to pay at least his contractual minimum payment each month, as well as immediately pay any amount owed over his credit limit and any contractual minimum payments already missed. Mr H therefore had a responsibility to keep making his payments for the money he'd borrowed.

I'm not aware of how the NewDay account is appearing on Mr H's credit file, although it appears that in January 2023 a default notice was issued. It may help Mr H to know that creditors do have a responsibility to report accurate and up to date information to credit reference agencies.

In the circumstances of this case, I've not seen enough to say that NewDay have done something wrong here.

### **My final decision**

I understand my findings will be a disappointment to Mr H, but for the reasons above and based on the available evidence and submissions, I do not uphold Mr H's complaint so I'm not going to ask NewDay to do anything.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr H to accept or reject my decision before 13 July 2023.

Kristina Mathews  
**Ombudsman**