

The complaint

Mr G complains that NewDay Ltd trading as Amazon Platinum Credit Card gave him incorrect information which resulted in him missing out on a rebranded credit card and his account being closed.

What happened

Mr G received correspondence from NewDay that they were rebranding from one brand to another brand which would give him benefits such as cashback, and he had to contact them before the deadline set to opt in, otherwise his account would be closed. Mr G rang NewDay before the deadline set, but the call handler told him that his account would automatically switch over and he wouldn't have to do anything, however, a couple of days later his account was closed. Mr G says he was unable to apply for the credit card again as they weren't taking new applicants. Mr G made a complaint to NewDay.

NewDay did not uphold Mr G's complaint. They said he would have received an email to advise him that a letter was available for him to read about the rebranding. They said they also sent him further text messages and emails to remind him about the change and the steps he needed to take to opt in. They said as he didn't opt into the new card before the deadline, they were unable to provide him with the new card and his account had been closed. Mr G brought his complaint to our service.

Our investigator upheld Mr G's complaint. He said NewDay admitted that their call handler gave Mr G incorrect information on the call as they said he would automatically update to the new card, which was incorrect. Our investigator said that as a result of this information, Mr G's account was closed and he lost an account with a £5,000 credit limit, through no fault of his own. He also said that Mr G lost out on the rewards the new account offered such as cashback.

Mr G asked for an ombudsman to review his complaint. He said the offer made doesn't compensate him for the time lost spent on phone calls to NewDay, let alone the financial impact. He said NewDay made it as difficult as possible for customers to switch over to the new credit facility.

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.

NewDay have admitted that the call handler gave Mr G incorrect information which led to no action being taken. This meant Mr G lost out on the opportunity of the new card which included benefits such as cashback on the account. Due to this card not now being offered to new applicants, then he has lost out on the opportunity to hold this card through no fault of his own. I would be unable to ask NewDay to reinstate this offer for Mr G as it would be up to a business who they lend to, and Mr G's financial situation or NewDay's internal lending criteria could have changed since Mr G was denied the opportunity to open the new account.

I know Mr G feels the offer is too low and doesn't compensate him for time lost on the phone to NewDay. He also feels a lot of other customers are in similar situations to what he found himself in. But our awards are not designed to punish a business or to make it change the way it acts in order to protect other customers in the future. That is the role of the regulator.

Mr G will have been distressed by what happened. He lost a £5,000 credit limit and an expectation was set for him that he didn't have to do anything to transfer over to the new account. Mr G had acted by ringing NewDay - like his letter instructed him to. But due to the interaction with the call handler, he had a wasted call. And he wasn't able to apply for the same card again due to this not being offered for new applicants. So I'm persuaded that £200 is proportionate for what happened here and it follows I'll be asking NewDay to put things right for Mr G.

Putting things right

Our investigator suggested that NewDay pay Mr G £200 compensation for distress and inconvenience, which I think is reasonable in the circumstances.

My final decision

I uphold this complaint. NewDay Ltd trading as Amazon Platinum Credit Card should pay Mr G £200 compensation for distress and inconvenience.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr G to accept or reject my decision before 1 August 2023.

Gregory Sloanes
Ombudsman