

The complaint

Mrs M complains that NewDay Ltd trading as John Lewis Partnership Card ('NewDay') didn't apply a refund to her credit card account. Mrs M says the failure to apply the refund caused additional interest to be applied to her card account.

What happened

Mrs M placed an order for goods on 31 October 2022 using a banking payment service linked to her NewDay credit card. Mrs M cancelled the order the same day and the merchant and banking payment service confirmed the payment had been refunded. When Mrs M received her credit card statement, she couldn't see the refund had been applied to the card and complained to NewDay.

NewDay said it hadn't received the refund but accepted that it took too long for it to deal with Mrs M's complaint, and paid Mrs M £20. NewDay also refunded interest of £60.10 it had applied to the account as a gesture of goodwill.

Mrs M brought the complaint to the Financial Ombudsman Service and one of our Investigators looked into things. The Investigator wasn't persuaded the amount Mrs M wants refunding was debited to her NewDay card account and that no refund was due because of this. Mrs M asked that an Ombudsman decides the complaint.

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.

I understand Mrs M will be disappointed, but I've decided not to uphold this complaint. I will now explain why.

Mrs M says the crux of her complaint is that NewDay didn't apply a refund for the debit applied to her card account of £27.38, and there's no dispute that Mrs M's NewDay account was debited for £27.38. Mrs M has provided evidence showing the banking payment service she used processed a refund of £24.54 - around the same time as the £27.38 transaction - and she says this refund doesn't appear on her NewDay statements. Mrs M says this refund is the same transaction as the £27.38 already debited to her NewDay account. There's no credit or debit for £24.54 on Mrs M's NewDay account and NewDay has confirmed to the Financial Ombudsman Service that it cannot trace this amount in any of its holding accounts, including a search using the transaction number the banking payment service provided.

Mrs M has strong views that the £27.38 debit is linked to the £24.54 credit, but in the documents Mrs M has provided, the banking payment service provider refers to a debit of £24.54 and a credit for the same amount. - there's no mention of a debit of £27.38. In my opinion, this suggests that the banking payment service carried out an internal transaction and a debit or credit for £24.54 was never submitted to NewDay. In my opinion the £24.54 debit and refund are more likely than not a separate transaction and unrelated to the £27.38 transaction. I think that if the banking service provider intended to refund £27.38 it's more

likely than not it would have refunded this amount and not a lower amount. I considered whether the Euro to Pound exchange rate would have impacted on this transaction, but the documents Mrs M provided use the same exchange rate for the debit and refund – this supports that this is more likely a sperate transaction to the £27.38 one.

In summary, for me to decide NewDay should have refunded £27.38 I would need to be reasonably sure it had received a refund request for this amount, and I've not seen that it did. I think it's unlikely the transactions for £24.54 and £27.38 were the same transaction. As there's no evidence to show the £24.54 was debited to Mrs M's card in the first place, I can't reasonably conclude NewDay should refund this amount.

For completeness, NewDay has already refunded some interest it applied to Mrs M's card account as a gesture of goodwill. NewDay has also paid Mrs £20 for failing to deal with her complaint as quickly as it should have. As complaint handling isn't a regulated activity, I can't consider this issue in my decision.

My final decision

For the reasons provided above, I've decided not to uphold Mrs M's complaint against NewDay Ltd trading as John Lewis Partnership Card.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs M to accept or reject my decision before 12 December 2023.

Paul Lawton
Ombudsman