

The complaint

Miss S is unhappy that NewDay Ltd haven't provided her with the correct type of credit card.

What happened

Miss S is severely disabled and is prescribed medication which affects her memory. Because of this, a chip and pin credit card isn't suitable for Miss S, because she struggles to remember PIN numbers.

In October 2022, NewDay sent Miss S a chip and pin credit card. Miss S contacted NewDay and explained why she needed a chip and signature card rather than a chip and pin card. Following this, NewDay sent a replacement credit card to Miss S, but that was again a chip and pin card. Miss S wasn't happy about this, so she raised a complaint.

NewDay upheld Miss S's complaint and apologised for the service she'd received. NewDay also made a payment of £100 to Miss D as compensation for any trouble and upset she may have experienced as a result. However, NewDay didn't issue a new chip and signature card to Miss S as she was seeking. Miss S wasn't satisfied with how NewDay had resolved her complaint, so she referred her complaint to this service.

One of our investigators looked at this complaint and didn't feel that NewDay had resolved matters fairly. So, they recommended that NewDay issue a new chip and signature card to Miss S and increase the total amount of compensation payable to Miss S to £300. NewDay didn't agree with the view of this complaint put forwards by our investigator, so the matter was escalated to an ombudsman for a final 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.

I issued a provisional decision on this complaint on 4 July 2023 as follows:

In their correspondence with this service, NewDay have explained that Miss S wasn't sent a replacement chip and pin card by mistake – as it was stated in their complaint response letter had been the case – but that the replacement card issued to Miss S was of the correct chip and signature type. As such, NewDay have confirmed that they didn't send a further new credit card to Miss S after the complaint response letter had been sent to Miss S.

But NewDay's complaint response letter clearly states that NewDay did incorrectly send a replacement chip and pin card to Miss S. And NewDay don't appear to have ever updated Miss S as to their position that the correct type of card is already in her possession until making this service aware of this point, which they did approximately six months after they issued their complaint response to Miss S.

During this time, Miss S has understandably had no confidence in the card in her possession and has explained how she's been fearful of using the card for being asked to input a PIN, which she wouldn't be able to remember and which she would find embarrassing. And as a result, Miss S has relied largely on the assistance of her son when wanting to make payments, which I'm in agreement with Miss S shouldn't fairly or reasonably be the case and which I can understand would be, from Miss S's perspective, neither pleasant nor ideal.

As such, while I can appreciate that NewDay may have felt that that Miss S already had the correct type of credit card in her possession, I can't see that NewDay have ever clearly explained this to Miss S or provided her with clear and explicit instructions on how to use that card. And, given the content of NewDay's complaint response letter, I'm satisfied that it was reasonable for Miss S to be of the understanding that the card in her possession was a chip and pin card.

Indeed, Miss S is still of the opinion that the card is a chip and pin card, despite NewDay's opinion on the matter being relayed to her. And this is because Miss S has explained that the only time that she tried to use the card after receiving it, she was asked to input a PIN.

As such, it's understandable to me why Miss S wouldn't have any confidence in the card in her possession, and I feel that Miss S is incurring an ongoing detriment by not being able to use the card as she would like. And I feel that the impact of this detriment is unfortunately exacerbated in this instance because of Miss S's disability and the understandable anxieties that surround it regarding this matter, as Miss S has described them.

Conversely, given Miss S's understandable lack of confidence in the card and the impact of this matter on her because of her disability, I struggle to understand why NewDay have refused to issue a new replacement card to Miss S up to this point. This is especially the case given that Miss S reasonably expected a replacement card following the complaint response letter she received and given that our investigator has asked NewDay to issue a replacement card to Miss S on several occasions during the process of their investigation.

Ultimately, I feel that had NewDay issued a new credit card to Miss S when they first indicated that they would – or at the very least, provide a clear explanation to Miss S that the card in her possession was a chip and signature card along with clear instructions on how to use that card – that much of the ongoing detriment that I'm satisfied that Miss S has suffered here could have been avoided. And it follows from this that my provisional decision here will be that I uphold this complaint in Miss S's favour and that NewDay must issue a replacement chip and signature card to Miss S, along with clear instructions on how to use it.

Additionally, because of the significant impact I feel NewDay's failings have had on Miss S here as a vulnerable customer, as I've described them above, my provisional instructions also include that NewDay must make a payment of a further £500 to Miss S – in addition to any compensation that they've already paid – as recompense for the upset, worry, and inconvenience this ongoing matter has caused her.

Finally, Miss S feels that NewDay have failed in their duty to make reasonable adjustments for them under the Equality Act 2010. I've taken the Equality Act 2010 into account when deciding this complaint – given that it's the relevant law – but I've ultimately decided this complaint on what I feel is fair and reasonable. If Miss S wants

a decision that NewDay has breached the Equality Act 2010, then she would need to go to Court.

In my provisional decision letter, I gave both Miss S and NewDay the opportunity to provide any comments or new information they might wish me to consider before I moved to issue a final decision. Miss S confirmed that she was happy to accept my provisional decision, whereas NewDay did not respond.

As such, I see no reason not to issue a final decision upholding this complaint in Miss S's favour on the basis explained in my provisional decision. And I therefore confirm that I do uphold this complaint on that basis accordingly.

Putting things right

NewDay must issue a replacement chip and signature card to Miss S, along with clear instructions on how to use it.

NewDay must also pay a further £500 to Miss S – in addition to any compensation they've already paid.

My final decision

My final decision is that I uphold this complaint against NewDay Ltd on the basis explained above

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss S to accept or reject my decision before 16 August 2023.

Paul Cooper
Ombudsman