

## **The complaint**

Mr G complains that he is required to provide a one time passcode (OTP) when shopping online using his credit card held with NewDay Ltd.

## **What happened**

Mr G complains that he is unable to use his NewDay credit card for online purchases because he lives in a remote area with no mobile phone signal and doesn't receive OTP's. He complained to NewDay and said he thought it should offer an alternative method for him to receive the OTP.

In its final response, NewDay said that in order to make a purchase online, it needed to have customer authentication before it could approve the transaction to protect customers from fraud. NewDay said it had sent the OTP to Mr G at the correct mobile number and that although it could see that the OTP hadn't been delivered, there was no evidence to suggest that this was because of any error by NewDay.

Mr G remained unhappy and brought his complaint to this service.

Our investigator didn't uphold the complaint. He said there was no evidence to suggest that NewDay had made any errors, and that there was an alternative option for Mr G to verify his purchases via the app, which only required internet access and not mobile phone coverage.

Mr G didn't agree. He said he'd downloaded the app but a requirement for setting up the app was the receipt of an OTP, so he hadn't been successful in setting it up. Mr G said that other lenders had a telephone system to verify online purchases and he thought NewDay should be required to offer him this method.

## **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 has explained that it is required by law to authenticate customers before it can authorise online payments. It has explained that it can allow customers to create a list of trusted retailers so that OTP's are not required every time a customer shops online with that retailer, but says that in order to add a retailer to the trusted list, authentication with a OTP will be required for the first transaction with the retailer.

I've reviewed the information held by NewDay in relation to Mr G's account. I can see that NewDay holds the correct mobile number and email address for Mr G, and that the OTP is being sent correctly.

I can also see that NewDay has looked into why Mr G isn't receiving OTP's. It says that OTP's are expiring before they reach Mr G, which is most likely because his device is out of range.

I appreciate that this must be frustrating for Mr G. However, I'm satisfied that NewDay is

required under the relevant regulations to have these authentication measures in place. The method of authentication is a matter for NewDay and this service isn't able to require it to use a particular method. So whilst I understand the point that Mr G makes about other lenders using different methods of authentication, this isn't something I can require NewDay to do.

Having reviewed the information from NewDay, there's nothing to suggest that NewDay has made an error when sending the OTP's to Mr G. It has used the correct details. Because NewDay hasn't made an error, I'm unable to say that it should take any further steps here.

I can see that NewDay has offered Mr G an alternative option for verifying his purchases via the app. Mr G has said that he hasn't been able to use the app because it requires a OTP to set it up. It should be possible for Mr G to receive a OTP when he is in an area with mobile phone coverage, so he could set up the app at this time. Once the app is set up, it requires internet access rather than mobile phone coverage, so Mr G should be able to use it.

### **My final decision**

My final decision is that I don't uphold the complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr G to accept or reject my decision before 1 January 2024.

Emma Davy  
**Ombudsman**