

## **The complaint**

Mr B is unhappy because he was led to believe by NewDay Ltd that his account was in credit by £192. Mr B spent the funds as he believed he had this to spend but later found out that the balance on the account was incorrect as further transactions were debited.

## **What happened**

Mr B opened an Amazon account in November 2021. NewDay ended its partnership with Amazon in 2022 and Mr B's account was migrated to Pulse in September 2022.

Mr B logged in to his account using the app and saw from his available balance that he was in credit. He wasn't expecting to be in credit, so he called NewDay and was advised by an agent that a back end credit of £250 had been applied to the account although the agent didn't know why.

Mr B was under the impression that he had available funds to spend, so he used the money to purchase an item.

The next time Mr B logged in to his account using the app he discovered that the credit balance had been debited from the account.

Mr B complained to NewDay. He didn't think it had acted fairly in crediting and then debiting his account.

NewDay didn't uphold the complaint. It said that transactions and credits to and from Mr B's account could take anywhere from 3 – 7 days to clear.

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

Our investigator upheld the complaint. He said that he was persuaded that there had been an administration error with regards to Mr B's account and the information that was available to him in respect of the credit balance via the app. The investigator said he didn't think NewDay had done enough to put things right and said NewDay should pay £100 compensation to Mr B for distress and inconvenience.

NewDay didn't respond to the investigators view so I've been asked to make 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.

Having done so, I agree with the investigator. I'll explain why,

Mr B has told this service that when he spoke to the advisor at NewDay, he was told that a credit in respect of a balance transfer had been applied to his account. Mr B says he told NewDay that he hadn't requested a balance transfer and he didn't know where it had come from.

Mr B has told this service that a credit of £240 was credited and showed in the app as a credit balance. Mr B proceeded to purchase items believing that he was in credit.

I've reviewed the evidence provided by NewDay. It says that all balances, transactions and statements are correct. But I'm not persuaded that this is the case. Mr B's testimony and the call recordings persuade me that there was some sort of administration error on Mr B's account, and that this can't be explained by pending transactions.

I appreciate that the advisor at NewDay took some advice from a colleague and then told Mr B that the balance transfer wasn't in relation to Mr B's account. But Mr B's account was still showing as being in credit on the app according to Mr B, so I understand why he was confused.

Taking everything into consideration, I think it's more likely than not that NewDay made an administration error in relation to a balance transfer being credited to Mr B's account which was meant for a different consumer and was later debited. And although NewDay has now acknowledged that Mr B was given incorrect information about his account, I don't think this is enough to put things right.

### **Putting things right**

It's clear that Mr B has been caused a significant amount of worry. He spent money that he thought was his, only to find that it had been debited again. This has left Mr B feeling confused and worried about repaying the account. Taking this into consideration I think it's fair to ask NewDay to pay compensation of £100 for the distress and inconvenience caused to Mr B.

### **My final decision**

My final decision is that I uphold the complaint. NewDay Ltd must pay compensation of £100 to Mr B.

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

Emma Davy  
**Ombudsman**