

The complaint

Ms M says NewDay Ltd, trading as Opus, has mis-handled her credit card account.

What happened

Ms M paid off the balance of her credit card account in April 2018. The following day NewDay received a further payment of £100, leaving her account in credit by £124.60.

Ms M said NewDay told her it could only refund the credit amount to her to another credit card, which she said wasn't possible as she didn't hold any other credit cards at the time. She wanted payment of the outstanding amount (plus interest) to be made by cheque, together with clarification as to why NewDay felt she was due a refund of £24.60 rather than £124.60.

Dissatisfied with NewDay's response on the matter, Ms M brought her complaint to this service. One of our investigators looked into the complaint and didn't recommend that it should be upheld. In summary, they felt NewDay had treated Ms M fairly overall and that it didn't need to do anything further to resolve the complaint.

Because Ms M didn't agree with the investigator's findings, the complaint was passed to me to review afresh.

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.

It's not in dispute that Ms M paid off her account balance in April 2018 or that her account was left in credit for several years. The main issues for me to consider are whether NewDay was to blame for any delays in the refund being paid and whether it's offered to refund the correct amount.

Having considered the issues, I'm not upholding this complaint. I'll explain why.

I'm satisfied from the information provided that NewDay processed two separate refunds to Ms M in September 2018. One was for £100 and the other was for £24.60. It seems the refund of £100 was successfully paid into the account for which NewDay held details. I don't think it was unreasonable for NewDay to use the account details that it held in the circumstances.

Unfortunately, the refund for £24.60 was rejected by Ms M's bank and the credit remained on Ms M's NewDay account. I can't see that NewDay was at fault for this second refund not being paid. I recognise Ms M would like to know why the refund wasn't paid. It's open for Ms M to contact her bank for more information about that if she'd like – but I can't see that NewDay did anything wrong in this regard.

I've seen copies of Ms M's NewDay account statements from 2018 to 2023 and I can see that they show the account was in credit for £24.60. So, I'm satisfied Ms M was aware, or

ought to have been aware, that the account was in credit and by how much. That being the case, I don't consider that NewDay was responsible for the delay between the unsuccessful attempt to refund the amount in September 2018 and the date she complained to NewDay about the issue in 2023. Which in turns means I'm not persuaded any interest should be added to any refund of the credit balance.

NewDay's confirmed that it can't issue a cheque for the credit balance refund but that it can transfer the remaining credit to a bank account of Ms M's choice. If Ms M hasn't done so already, she can provide those details direct to NewDay.

My final decision

For the reasons given, I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms M to accept or reject my decision before 28 November 2023.

Nimish Patel
Ombudsman