

The complaint

Mr B complains that NewDay Ltd trading as Pulse allowed him to carry out a balance transfer to his wife's credit card and then didn't assist when he informed it of the mistake.

What happened

Mr B has a credit card account with NewDay. On 12 January 2023, he completed a balance transfer from his NewDay card to another credit card. However, Mr B says that instead of transferring to his credit card the transfer went to his wife's credit card. He says this has happened previously as the last four digits on the cards are the same. Mr B wants NewDay to return the money back to his account along with any charges or deductions associated with the transfer.

NewDay issued a final response letter dated 13 March 2023. It said that Mr B completed a standard balance transfer of £6,000 and was advised of the terms and conditions which he would have agreed to before completing the transfer. It said it was unable to reverse the transaction to his wife's card and couldn't at that time increase Mr B's credit limit. Therefore, it rejected this part of Mr B's complaint.

NewDay said at that time it had been unable to identify the exact details Mr B entered online and couldn't say why it had passed the security check but said this might have been an issue with its third-party provider. It accepted that the card the funds were transferred to belonged to Mr B's wife and that he had a poor experience. Because of this it upheld this part of his complaint and credited his account with £45.

Mr B wasn't satisfied with NewDay's response and referred his complaint to this service.

Our investigator initially didn't uphold this complaint but then issued a second view saying that while the system notes confirmed that Mr B had entered his wife's credit card details when applying for the balance transfer, NewDay could have done more to assist him when he contacted it about the issue. Because of this she recommended that NewDay pay Mr B £150 compensation.

Mr B didn't accept our investigator's view. He said the outcome failed to address the financial impact he had suffered by NewDay not stopping the transfer and said that he had explained that his wife's credit card provider had refused to return the money. He said that NewDay could have recalled his money and it was punishing him by not doing this even though the mistake was not only his but NewDay's as well.

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 am sorry to hear of the upset caused to Mr B by his balance transfer being applied to his wife's credit card rather than his. But for me to uphold this complaint I need to be satisfied that NewDay did something wrong or treated Mr B unfairly.

Mr B completed an online balance transfer. He entered the credit card details and having looked at the information provided; it appears that the details entered were those of Mr B's wife's card rather than his card. Mr B has confirmed that the transfer went to his wife's card. As NewDay carried out the balance transfer to the card specified by Mr B I cannot say it did anything wrong in regard to this part of the process.

NewDay has explained that before a balance transfer is completed it uses a credit reference agency to verify the customer's identity and to check the card the customer wishes to transfer a balance to or from belongs to them. In this case, the transfer happened from Mr B's card to his wife's card and so I understand why Mr B believes the transfer should have been declined.

NewDay has explained that it uses a third-party to undertake its verification checks. It said the checks are risk-based using a number of components. I accept that it cannot provide further details of the checks. I have looked at the online servicing activity for 12 January and can see that Mr B's application for the balance transfer was approved. Therefore, it appears that the verification checks were successful, and, on this basis, I do not find I can say that NewDay was wrong to carry out the transfer in line with Mr B's instructions.

However, when Mr B became aware of the mistake, he contacted NewDay and at this point I think it could have done more to assist him. I appreciate that as the transfer had been processed by the time Mr B alerted NewDay to the issue, this couldn't then be stopped. But NewDay could have attempted to recall the funds. I note the comments NewDay has made about it not being required to do this and that it had confirmed the issue arose due to Mr B inputting incorrect details rather than a mistake made by NewDay. I also note the comment that there could be a cost associated with requesting the recall. However, given Mr B alerted NewDay to the issue on 16 January 2023 and that as part of the online journey Mr B had been told a transfer would only happen to an account in his name and this turned out not to be true, I think NewDay should have requested the recall in an attempt to resolve the issue.

I accept that the recall may not have been successful, and I do not find that because the recall wasn't requested that NewDay should refund Mr B the transferred funds. I note Mr B's comment that his wife's card provider has said it won't return the money but as it is Mr B's wife that has the benefit of the money (rather than a separate third party) it isn't unreasonable to say that he should be able to find a way to resolve this issue.

Based on the above, I do not require NewDay to do anything further in regard to the balance transfer, but I do think it should pay Mr B compensation for not providing the service it should have when he asked for help. This issue has caused Mr B stress and he has spent time trying to resolve it and had NewDay requested the recall (as it had on a previous occasion) this may have been avoided, or at least reduced. Given this I think the £150 recommended by our investigator is reasonable. I know that Mr B doesn't think the £150 is enough, but for the reasons set out above I find this a reasonable resolution to the issues raised.

Putting things right

NewDay Ltd should pay Mr B £150 compensation for not providing the service it should have when Mr B contacted it about the error with his balance transfer.

My final decision

My final decision is that NewDay Ltd trading as Pulse should take the action set out above in resolution of this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr B to accept or reject my decision before 9 November 2023.

Jane Archer
Ombudsman