

The complaint

Mr B complains that NewDay Ltd has refused his account application and hasn't provided him with the reasons for doing so. He also complains that NewDay has ignored his letters to it about the application.

What happened

Mr B says he held a credit card account which NewDay took over. He says he spent about £4,000- £5,000 a month which he paid off in full each month. Mr B says NewDay declined his application for a new account without explanation and says he provided it with required bank statements in November 2022.

NewDay says it wasn't able to verify Mr B's financial position and hasn't made a mistake. It says it would look at Mr B's bank account statements but didn't receive them.

Mr B brought his complaint to us, and our investigator didn't uphold the complaint. The investigator didn't think NewDay could be held responsible for not receiving Mr B's account statements.

Mr B doesn't accept that view and says he wrote to NewDay in January 2023 which it ignored and re-sent his documents by recorded delivery in February 2023. He says NewDay has simply ignored him.

I asked NewDay for further information about this complaint and asked it to confirm what was the up-to-date position with the application and to provide the original refusal letter.

NewDay has not replied.

My provisional decision

I issued a provisional decision and came to the provisional view that NewDay had not dealt appropriately with Mr B's account application. I made clear to NewDay that as it hadn't responded to any of my requests for further information or for its views on including all matters within this complaint. Then I said I can't fairly include Mr B's potential complaint about the failure to respond to his application from February 2023 within this decision, when he sent NewDay the required documents by recorded delivery. I said I hoped Mr B appreciates why I couldn't deal with those matters and that he would have to make a new complaint if he wished, about the failure to respond to him sending the documents which NewDay accepts it received.

I made clear to the parties that I had considered NewDay's failure to respond to the documents sent to it in February 2023 as part of my decision to provisionally uphold this complaint as it provided evidence of a failure to respond to Mr B. But I explained that I had not considered the impact of that on Mr B and had not considered that part of the complaint when assessing compensation. I appreciated it would have been easier to include all complaint points together within one decision but as NewDay hadn't responded to my request to do so, I said I cannot do so.

I accepted that NewDay must assess any new application for credit, as a responsible lender, and that it's up to it to decide with whom it enters into a business relationship. But I said NewDay should provide reasons for the refusal which I could see that it did provide in general terms.

I was satisfied having looked at Mr B's records that he provided information to NewDay in November 2022 as required by it. I appreciated NewDay says it didn't receive it, but I thought it clear Mr B wanted the credit card account and provided all of the required information.

I was also satisfied that Mr B wrote to NewDay in January 2023 about his application but didn't receive a reply and resent his documents by recorded delivery in February 2023 which NewDay did receive. So, I thought on balance considering the amount of letters Mr B sent without response that it was unlikely on balance that NewDay failed to receive all of them. It follows that I didn't think NewDay had dealt appropriately with Mr B's application and accepted Mr B had been caused distress and inconvenience. I said even if NewDay didn't receive Mr B's documents in November 2022 then I would have expected it to have told Mr B that when he followed up his application in early 2023. I had not seen any evidence of NewDay checking its records for evidence of the documents or that Mr B had the evidence returned to him.

I said I had to consider what on balance I thought is more likely to have happened and I was persuaded that Mr B sent the required documents and letters as he kept records of them. And that he followed up his letters with further letters asking for an update. I couldn't see any evidence of a response by NewDay.

I was satisfied that Mr B sent and completed a number of documents as well as letters. I also accepted he would have been caused distress in not receiving a response or a decision about his application. I thought on balance NewDay should pay Mr B £150 compensation which I thought fair and reasonable and fairly reflected the amount of time from November 2022 to February 2023 Mr B had spent trying to resolve matters.

I said I hoped NewDay could answer the questions I asked of it and confirm what the up-to-date position is with the application. I hoped it could also confirm if it required Mr B to make a new complaint in respect of its apparent failure to respond to the documents sent by recorded delivery in February 2023.

NewDay has not replied to my provisional decision.

Mr B has replied and says £150 compensation is a "paltry sum". He questions why he should make a new complaint about the failure to respond to his documents being sent in February 2023. Mr B says there should be an appropriate financial penalty for NewDay's actions.

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 have come to the same overall decision that I reached in my provisional decision and for the same reasons.

We are not NewDay's regulator and so it's not our role to punish it as Mr B suggests.

I appreciate Mr B's frustration with NewDay's failure to respond to his February 2023 letter and its failure to confirm if that part of his complaint could be included in this complaint. But a

business must have an opportunity to respond to a complaint and for that reason Mr B will need to make a complaint to NewDay if he wishes about that part of his complaint.

Overall I'm satisfied that the compensation award is fair and reasonable and in line with the type of awards we make for this type of issue. NewDay has not responded to my provisional decision and has not suggested my approach in dealing with this complaint up to February 2023 is unfair or incorrect.

Putting things right

NewDay should pay Mr B £150 compensation.

My final decision

My final decision is that I uphold this complaint and order NewDay Ltd to pay Mr B £150 compensation.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr B to accept or reject my decision before 14 December 2023.

David Singh
Ombudsman