

The complaint

Mrs E is unhappy that she was unable to do a balance transfer to a credit card account administered by NewDay Ltd.

What happened

In December 2022, Mrs E tried to instruct a balance transfer from a third-party credit account to pay off the balance that was present on her NewDay credit card account. But the third-party bank which Mrs E instructed to complete the balance transfer said that there was a problem with the NewDay credit account card details, such that it wasn't possible for them to complete a balance transfer to the Mrs E's NewDay account.

Mrs E tried to complete a balance transfer to her NewDay account from a second third-party credit account. But the second third-party bank also said they were unable to complete a balance transfer to the NewDay account. Mrs E wasn't happy about this, especially as she incurred interest on her NewDay balance because she wasn't able to clear what she owed on the account by balance transfer as she wanted to. So, she raised a complaint.

NewDay responded to Mrs E and said they didn't feel they'd done anything wrong in how they'd administered her account and explained that they can't comment on why a third-party bank can't complete a balance transfer. However, as a gesture of goodwill, NewDay reimbursed two months of interest payments to Mrs E's account, totalling £60.80. Mrs E wasn't satisfied with NewDay's response, so she referred her complaint to this service.

One of our investigators looked at this complaint. But they didn't feel NewDay had acted unfairly in how they'd managed the situation and so didn't uphold the complaint. Mrs E remained dissatisfied, so the matter was escalated to an ombudsman for 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.

Mrs E has explained to this service that she feels that NewDay issued her a credit card that included a card number which mistakenly identified the card as a store card rather than as a credit card, and that it was for this reason that she was unable to instruct a balance transfer to the card. And Mrs E notes that it was only when she requested and received a replacement credit card, which was correctly identified as a credit card and not as a store card, that she was able to instruct balance transfers to her NewDay account.

I'm not convinced by Mrs E's argument here. One reason for this is because I asked NewDay to provide details of the initial and replacement cards that were issued to Mrs E. And NewDay have been able to demonstrate to my satisfaction in response that both the initial and replacement card were of the same card number type – that is, a credit card, and not a store card.

Notably, I also asked Mrs E to provide any evidence she may have of the difference in the

card numbers as she was claiming. But Mrs E didn't provide any evidence to support her claim, and indeed, she didn't respond to my request at all.

Furthermore, it's notable that Mrs E was able to instruct balance transfers from her NewDay account in October and November 2022. And if it were the case that the card registered to her account was listed as a store card, and not as a credit card, I feel that these outbound balance transfers wouldn't have been possible. As such, I feel that Mrs E being able to instruct a balance transfer upon receipt of her new card is likely to be coincidental.

NewDay have explained that Mrs E's credit account had been previously administered by another credit provider, and that NewDay issued information about their commencement of the account administration in August 2022. As such, while NewDay can't comment on exactly why Mrs E couldn't instruct a balance transfer to them – which seem reasonable to me, given that Mrs E made the instructions to third-party banks and not to NewDay themselves – NewDay hypothesise that it might be the case that the third-party banks hadn't updated their understanding of the account, including NewDay's new administration of it.

However, it isn't for this service to consider the actions or potential inactions of the third-party banks here. And this is because this is a complaint against NewDay, meaning that the scope of this assessment is focussed solely on whether NewDay should reasonably be considered to have done anything wrong or acted unfairly.

And ultimately, I don't feel that NewDay can reasonably be considered to have done anything wrong or acted unfairly here. And I'm satisfied that whatever trouble and inconvenience Mrs E incurred surrounding being unable to instruct third-party banks to complete a balance transfer to her NewDay account wasn't in all likelihood the result of any error or mistake by NewDay.

It follows, therefore, that I won't be upholding this complaint or instructing NewDay to take any further or alternative action. I hope that Mrs E will understand, given what I've explained, why I've made the final decision here that I have.

My final decision

My final decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs E to accept or reject my decision before 13 December 2023.

Paul Cooper
Ombudsman