

## **The complaint**

Mr P complains that NewDay Ltd trading as Amazon Card didn't close his account when he requested.

## **What happened**

Mr P contacted NewDay to say he wanted his account closed and he was told this had happened. But when he did a mortgage enquiry he discovered that the account was still open with a £4,800 credit limit. He says this was affecting his credit report and when he called NewDay it acknowledged the account was still open and said it would try to get it closed within 24 hours but that it would take a month for this to show on his credit report. Mr P said this wasn't good enough and he had withdrawn his mortgage enquiries until this had been actioned which he said could result in him losing the house he wanted.

NewDay issued a final response on 22 September 2023 upholding Mr P's complaint. It said that Mr P contacted it in November 2022 requesting to close his account and he was told this had happened. However, due to an ongoing dispute the account hadn't been closed and continued to be reported as open on Mr P's credit file. Because of this NewDay offered to pay Mr P £105.

Our investigator didn't uphold this complaint. She thought the action taken by NewDay including the offer of £105 compensation was reasonable.

Mr P didn't accept our investigator's view. He said he had offered to provide evidence to show that his credit file was immaculate apart from this account being open which he wasn't aware of. He said his mortgage adviser had told him that the undisclosed credit was the reason for his mortgage application being declined and because of this he lost out on a house he wished to purchase. Given this he didn't accept that £105 compensation was enough.

## **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.

NewDay has acknowledged that it made a mistake by not closing Mr P's account when he requested this in November 2022, and also telling him that it had closed the account so that Mr P was unaware that there was any issue.

Our role isn't to punish a business, but when a mistake has been made, we would expect the business to put the consumer back in the position they would have been had the mistake not happened, and where appropriate to pay compensation. In this case when Mr P contacted NewDay about this issue it said that it would close the account within 24 hours and provide an update to the credit reference agencies to show the account as being closed in November 2022. I find this puts Mr P back in the position he would have been had the mistake not been made.

However, while the account was still open on Mr P's credit file, he was making mortgage enquiries. As he had been told his NewDay account had been closed he didn't declare this. He says his applications were declined and at first, he couldn't understand why as he had a good credit history. However, when the issue of the NewDay credit card was identified he realised that it was because he hadn't disclosed this that his applications had been declined. He said his mortgage adviser said that the undisclosed credit card would have been an issue. I understand that NewDay didn't record any adverse information on Mr P's account, but because Mr P wasn't aware of the account still being open, he didn't declare this. While I cannot say for certain this was the reason why his applications were declined, I accept that this could have been an issue.

Mr P has said that this issue meant he missed out on a house, and he wants compensation for the upset caused, inconvenience and loss of opportunity. While I acknowledge the comments Mr P has made, I cannot say that had the credit card been removed from his account that he would have got the mortgage he wanted and that he would have secured the house. When considering compensation, I can take into account any financial loss that Mr P has experienced rather than any potential loss or potential loss of opportunity. As I have no evidence of any actual financial loss caused by this issue, I have only considered compensation in regard to the distress and inconvenience Mr P was caused by needing to get the information recorded correctly and then resubmitting his mortgage applications once his credit file had been updated.

Having considered this, while I know this will be disappointing to Mr P, I do not find that the £105 compensation offered by NewDay is unreasonable. Because of this I do not uphold this complaint.

### **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 Mr P to accept or reject my decision before 28 February 2024.

Jane Archer  
**Ombudsman**