

The complaint

Mr M has complained about NewDay Ltd's, trading as Marbles, behaviour in respect of it 'duplicating' his credit card account.

What happened

Mr M took out a credit card account with Marbles. However, it appears it mistakenly, in effect, 'duplicated' the account. This meant Mr M was sent two cards, and had two separate credit limits.

It took Marbles around six years to realise its error. It's against its policy for a customer to have two such accounts. When it saw its mistake, it closed one account without notice. Mr M is unhappy about this, and also feels Marbles have benefited over the years from interest and charges. He'd like all interest and charges to be refunded to him.

Marbles accepted it made errors, and offered Mr M £130 in recognition of this. Our investigator thought this was fair, and in line with what our service would have recommended.

Mr M disagreed. In summary, he feels that Marbles' mistake has cost him in interest and charges on the second account, and that it's wrong that Marbles took over six years to identify the mistake.

The complaint's now been passed to me.

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 agree that the £130 Marbles has offered is fair. I know Mr M feels very strongly about this, and will be disappointed, but I'll explain why I've reached this decision.

First, I must explain that I've carefully considered all of the submissions made, and I thank both parties for these. I haven't referred to every point that's been made. This isn't because I haven't considered them all. Rather, it reflects the informal nature of our service. I've focused below on what I feel are the key matters, to enable me to reach a fair decision.

Second, I should also say that it's not our service's role to punish businesses for their mistakes. It's our role to consider the impact a business's actions have had on an individual, and, where appropriate, require it to put matters right.

With these points in mind, I'll explain why I find the £130 compensation to be fair.

It's not in dispute that the second account was opened in error. Nor is it in dispute that it took over six years for Marbles to realise this. So, I've considered what impact this had on Mr M. He's said that this complaint isn't about the affordability of the second account. So, I've also borne this in mind.

Mr M had the benefit of access to these additional funds – and he chose to utilise this facility. In other words, he had the benefit of these extra funds. I understand he's said that it cost him, in terms of interest and charges. But he was aware of the account's terms and conditions, and the interest and charges that applied to it. So, he made an informed choice to accrue these, when deciding to utilise the funds. As I said above, I've not discussed affordability, as Mr M said this complaint isn't about that. I don't think it would be fair to require Marbles to reimburse all of the interest and charges in these circumstances, given that Mr M chose to access the funds, and knew the costs of doing so.

For completeness, I'm aware that Marbles did refund some fees/charges. Mr M agrees it did, but says he isn't able to check what these were, as he no longer has access to that account. So, if he thinks there may be an error here, I'd ask him to contact Marbles to discuss it. If he's unhappy with its response, he may be able to bring a further complaint to our service.

I've also considered the distress and inconvenience caused. Although the error wasn't spotted for many years, Mr M had the use of the funds during all of this time – and chose to use the account. But, I do think it impacted Mr M when Marbles closed the account without notice. Although the account had a zero balance at that point, it must still have come as a shock to Mr M. Like our investigator, I think the £130 offered is fair to reflect that.

My final decision

For the reasons given above, it's my final decision that the £130 that NewDay Ltd, trading as Marbles, has offered is fair. I leave it to Mr M to decide whether, on reflection, he'd like to accept it.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr M to accept or reject my decision before 21 March 2024.

Elsbeth Wood
Ombudsman