

## **The complaint**

Mr A complains about how long NewDay Ltd, trading as Opus, took to unblock his credit card account after he made an overpayment.

## **What happened**

On 5 September 2023, Mr A made a £6,507.50 balance transfer payment from a credit card with another bank to his NewDay credit card account. This left his account in credit by approximately £5,000 so, on the same day, he contacted NewDay to transfer out the overpayment.

NewDay's Customer Service Team passed Mr A to their Fraud Team to discuss the refund and, as they considered the transaction to be unusual, they found it necessary to undertake an investigation and place a temporary block on his account. They informed Mr A this investigation could take up to 28 days to complete and the release of his funds would be delayed.

NewDay didn't remove the block until 3 October 2023 and only credited Mr A with his funds on 6 October 2023.

Mr A is dissatisfied because he thinks NewDay could've lifted the block earlier and made the transfer sooner. This is because:

- Mr A called NewDay on 5 and 6 September 2023 and was told he needed to wait.
- Mr A called NewDay on 19 September 2023 and was told someone would call him back within 2 weeks. But he didn't receive a response.
- When he called NewDay on 3 October 2023 and spoke to a representative and subsequently sent a copy of a statement showing the balance transfer, the block was lifted and the payment arranged

So, Mr A complained to Newday about the distress and inconvenience caused. But NewDay didn't uphold his complaint. They explained the reason for their actions and said they had acted correctly and met their timescales.

Mr A brought his complaint to our service and, as our investigator thought NewDay should've resolved the issue sooner, he said they should pay Mr A £100 compensation.

However, Mr A thinks NewDay should pay him a higher amount of compensation. The compensation amount he is looking for is £500 plus the balance transfer amount of £227.12.

As Mr A remains dissatisfied, his complaint has been referred to me to look at.

## **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'm partially upholding this complaint, and I'll explain why.

In cases where information is incomplete, inconsistent or contradictory, I must reach my decision on the balance of probabilities – in other words, what I consider most likely to have happened in light of the available information.

I first reviewed the file to consider whether it was reasonable of NewDay to undertake an investigation, block Mr A's account and delay his payment. I'm satisfied it was as NewDay needed to consider and check the transaction because:

- It's very unusual to pay a fee to transfer funds to overpay an account
- It doesn't appear to have been an error and Mr A explains:
  - *'I did a balance transfer from one of my credit cards to opus to make use of my offer. I had car insurance up for renewal so it would have covered that but renewal did not go through so I had over credit on my account'.*
- Mr A requested that the overpaid amount be transferred out on the same day
- NewDay considered it to be unusual, and they have legal and regulatory responsibilities to be alert and investigate large and unusual transactions

I think a service timeframe of up to 28 days to do this is reasonable as a business has to balance investigations into unusual activity with available resources and operational matters.

However, having reviewed the file, after Mr A's call on 19 September 2023, I think their service should've called Mr A back sooner. And, if an appropriately skilled fraud team member was available, I think it more likely than not that they could've potentially undertaken resolution quicker than 3 October 2023. I say this for a combination of the following reasons:

- System notes show they were aware of Mr A's urgency
- Mr A's testimony that when he chased them, they said they'd call him back
- Mr A's testimony of his call on 3 October and NewDay's resolution actions

Whilst I recognise Mr A's frustration and annoyance here and appreciate he feels a much higher amount of compensation is appropriate, having considering the above, I think that the £100 compensation NewDay have agreed to pay is both fair and reasonable.

### **My final decision**

My final decision is that I'm partially upholding this complaint.

I require NewDay Ltd, trading as Opus, to pay Mr A £100 compensation.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr A to accept or reject my decision before 16 April 2024.

Paul Douglas  
**Ombudsman**