

The complaint

Mr F says NewDay Ltd has unfairly retained the credit balance held on his credit card rather than return it to him promptly as requested.

What happened

Mr F wanted to transfer the credit balance from his previous credit card provider ('the previous provider') to his new credit card account with NewDay. There was a significant delay of almost ten months before Mr F received the money. He complained to both NewDay and the previous provider about the delay.

Unhappy with the responses he received, Mr F referred complaints to this service about both businesses. We've dealt with each complaint separately. The investigator looking into the complaint about NewDay noted that it had subsequently offered to pay Mr F £250 as compensation for the impact of the mistakes it had made. The investigator believed the offer was fair in the circumstances and taking account of the part NewDay played in the delays experienced.

As Mr F didn't agree with the investigator's findings, the complaint was passed to me to review afresh.

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.

I realise that this complaint's about NewDay rather than the previous credit card provider, about which a separate complaint has been made. That said, there's clearly some overlap between the events relevant to this complaint and those relevant to the other complaint. To ensure I've considered all the circumstances, I've reviewed both complaint files. Although my focus in this decision is on the actions of NewDay.

It's not in dispute that NewDay made mistakes in ensuring Mr F's money was returned to him promptly. But it wouldn't be fair to apportion all of the blame for this to NewDay. For example, for a long period from when Mr F first asked for the credit to be transferred, the matter was with the previous provider and not NewDay.

I recognise that NewDay could have done things better for a time. But that time effectively began when the previous provider contacted NewDay to recall the payment and ended when NewDay returned the payment. This involved a delay by NewDay of around five months.

I'm in no doubt that the overall time it's taken for Mr F to have his money returned to him has caused him distress and inconvenience. As I say, I don't believe NewDay's responsible for that delay in its entirety – but its actions were a significant factor in exacerbating the situation. NewDay now recognises as much, and has offered Mr F £250 as compensation.

It's not always clear how much compensation for losses such as Mr F's is fair. That's

because those losses are subjective by their very nature. Having said that, and after carefully weighing up what NewDay did wrong and what Mr F's said about the impact on him, I believe the offer's fair in the circumstances and is broadly in-keeping with what I would otherwise have awarded.

Putting things right

I require NewDay to pay Mr F £250 as compensation for the distress and inconvenience it's caused him, if it hasn't already done so.

My final decision

For the reasons given, I require NewDay Ltd to put things right for Mr F as explained above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr F to accept or reject my decision before 17 April 2024.

Nimish Patel
Ombudsman