

## **The complaint**

Mr V complains that NewDay Ltd trading as Aqua had an error with their payments system.

## **What happened**

Mr V says that on 21 October 2023, he tried making a payment towards his credit card via the Aqua application (app), choosing the option to pay via open banking. Mr V says he attempted to make a payment of £250, but an error screen appeared, no payment was taken from his bank account, nor was any payment reflected on the Aqua app. So Mr V attempted to make the payment again, but the same thing happened. Mr V then chose the payment option to take the payment by card, and this worked straightaway. Mr V says that the following day he received a text message from his bank informing him that he'd gone into an interest bearing overdraft.

Mr V checked his bank account and saw that instead of his intended £250 payment to Aqua, £750 (3 x £250) had left his account instead. Mr V contacted Aqua, who informed him he needed to contact his bank to get the unique transaction reference numbers so Aqua could trace the payments, which Mr V did, and he says he was told the £500 overpayment would be released back to his account in a couple of days. As Mr V didn't receive the £500 he contacted Aqua again. Mr V says he received the refund 16 days after the error. Mr V made a complaint to Aqua.

Aqua partially upheld Mr V's complaint and they credited £40 to his account. Aqua said there was an issue with the payments platform they used, and the payments had been processed overnight. They said on 6 November 2023 they reversed the overpaid £500. Mr V brought his complaint to our service.

Our investigator upheld Mr V's complaint. She said the first call handler Mr V spoke with on 3 November 2023 confirmed the funds were with Aqua by 1 November 2023, but these weren't posted on the account until five days later. She said Mr V's conversation with Aqua's complaints team suggests they were waiting for bank details from Mr V to process the credit refund, but he had already confirmed these to them on 24 October 2023.

Our investigator said a total of £150 compensation would be more reflective of the impact on Mr V. She said while Mr V has evidenced he was using his interest bearing overdraft when the funds were returned, he hasn't evidenced the interest he incurred during the relevant statement period, despite her follow-up request. Mr V asked for an ombudsman to review his complaint as he wanted £150 compensation in addition to the £40 Aqua credited to his account.

## **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.

It's not in dispute that Mr V was let down by Aqua with what happened here. He faced errors when trying to make repayments to his account. But he was unaware his payments were

successful due to the system providing an error message. The payments weren't reflected on his online account as they normally would, and the payments hadn't debited his bank account as they normally would. So Mr V made a card payment instead which was successful.

So Mr V would have been distressed when the error was resolved overnight, and he found out that the payments he thought weren't collected due to an error were actually collected. And this caused Mr V to go further into his overdraft which he didn't intend to do as he only wanted to pay Aqua £250, and not £750.

I've listened to three calls that Mr V had with Aqua. The first call handler did not recognise that there had been an error with the payments system, so a trace was raised. Mr V's sort code and account number that the payments were made from were given on this call. On the second call Mr V is told that the credit balance refund was sent by them on 1 November. But Mr V's Aqua statement shows that they didn't send him this on 1 November, as this is shown on the statement as 6 November 2023. So Mr V was given incorrect information here.

The last call I listened to was when Mr V spoke to Aqua's complaints team. It was confirmed on this call that if Mr V gave them his bank details they could process the credit balance refund, therefore if Mr V hadn't of been transferred to the complaints department he would've been under the impression the payment had already been made to him, based on the last call he had with Aqua. Mr V is told that the credit balance refund would take 7-10 working days. As Mr V had already given his bank account details on the first call, it would be frustrating for Mr V that the overpayment wasn't already in the process of being returned to him.

Mr V has forwarded part of his bank statement to show that between 27 September-26 October 2023 that he incurred £20.55 overdraft interest. The statement also confirms that the first £1,000 of the overdraft is interest free. The overpayments he made debited his account on 21 October 2023. As the full statement (and the following statement), wasn't provided by Mr V, then it is unclear how much interest Mr V has incurred solely due to Aqua's error. Our investigator asked Mr V to provide us with his full statement, but Mr V told us he certainly wouldn't want to send Aqua a full bank statement. This is Mr V's prerogative, and he's made it clear why he doesn't want to do this. But this means I can't say for certain what interest he was charged as a result of Aqua's errors.

I've looked at this complaint as a whole to determine what is a fair outcome. Mr V was caused distress and inconvenience when the payment system had errors. And while Aqua don't operate the payment system itself (it's operated by a third party), Mr V had errors making payments through Aqua's app, through no fault of his own. He was then given incorrect information on the phone, and Aqua had already been given Mr V's sort code and account number in a previous call – and they were aware Mr V wanted the overpayment back. So I'm persuaded the £500 should have been processed earlier than when it was.

Our investigator has suggested a total of £150 compensation for what happened here. I'm satisfied that this is fair. While I've considered that Mr V wants an extra £40, I must explain to Mr V that our awards are not designed to punish a business or to make it change the way they act in order to protect other customers in the future. That is the role of the regulator.

We sometimes award compensation if we feel that a business has acted wrongfully and therefore caused distress and inconvenience to their customer over and above that which naturally flows from the event. I'm satisfied that a total of £150 (less anything he's already been paid) is proportionate for the distress and inconvenience Aqua caused Mr V. So it follows I'll be asking Aqua to put things right for Mr V.

**Putting things right**

Our investigator has suggested that Aqua pays Mr V a total of £150 compensation (less anything he has already been paid) for distress and inconvenience, which I think is reasonable in the circumstances.

**My final decision**

I uphold this complaint. NewDay Ltd trading as Aqua should pay Mr V a total of £150 compensation (less anything he has already been paid) for distress and inconvenience.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr V to accept or reject my decision before 14 June 2024.

Gregory Sloanes  
**Ombudsman**