

The complaint

Mr D complains that NewDay Ltd trading as John Lewis Credit Card has prevented his bank carrying out account checks.

What happened

Mr D says he tried to set up a payment to NewDay for his credit card account. He says his bank gave him a warning that the account he set up payment for could not be verified. Mr D says as a result he sent a token payment to check the account details were correct before sending the required amount. He says the problem must be with NewDay and that it hasn't set up its account in such a way that can be checked by other banks. Mr D would like NewDay to sort out this problem for other customers.

NewDay says it hasn't made a mistake and that Mr D made the payment to it. It says Mr D could have used other payment methods and is not aware of a wider issue.

Mr D brought his complaint to us, and our investigator didn't uphold it. The investigator thought Mr D was able to make the payment and any wider issues are not for us to consider.

Mr D doesn't accept that view and says he has tried setting up NewDay as a payee on a different account, but the same problem takes place. He would like a ruling from this service to make sure the problem is fixed.

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 have come to the overall view that I don't uphold this complaint for the reasons I will explain. I appreciate Mr D will be disappointed by my decision and I appreciate how strongly he feels about what took place as well as by NewDay's inability to fix what he says is the problem.

I make clear to Mr D that we are not NewDay's regulator and so it's not our role to direct it to sort out this issue. It is also not our role to make, as Mr D suggests we do, a ruling on this issue that NewDay be obliged to follow. That is not what this service is for. We can't consider the wider impact here or how other customers may be impacted by this issue. I say that as I can see that is part of Mr D's concern.

I have no doubt that Mr D's bank was unable to check the account he wished to pay the money into. I have looked carefully at the messages Mr D has provided from two of his accounts. I can see the messages are slightly different and that one clearly states that the payee would not allow the account to be checked whilst the other says the account can't be checked. I have no doubt Mr D was caused inconvenience in those circumstances in making a token payment to NewDay before being satisfied the details were correct. I also appreciate Mr D's concerns about fraud and why he wanted to check the account. I am satisfied that the important point is that the account has now been checked and Mr D is able to make

payments correctly to NewDay.

I appreciate Mr D says the issue must be caused by NewDay. And of course, he may be right. But I hope he appreciates that directing NewDay to fix the issue, even if I could be sure it was at fault, is not something this service can direct for the reasons I have explained.

I can consider the impact this issue had on Mr D which amounts to having to make a token payment before the full amount was paid. I have accepted that caused some inconvenience, but it is not something that justifies compensation as that inconvenience was short-lived and resolved within a relatively short time period.

Overall, I find this now brings an end to what we in trying to resolve this complaint informally can do. I hope Mr D appreciates that rulings and directions to businesses in the form he would like are not what this service can do. It would be up to NewDay to consider the evidence Mr D has provided and decide if a further investigation is required. But I am sure Mr D appreciates there would be no obligation for NewDay to tell him what any outcome was.

My final decision

My final decision is that I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr D to accept or reject my decision before 24 July 2024.

David Singh
Ombudsman