

The complaint

Mrs H is complaining about NewDay Ltd trading as John Lewis Partnership Card because it changed the process for accessing her account. She wants to go back to using the original process.

What happened

Mrs H has a credit card account with NewDay. Prior to June 2023 she was able to access her account using a one-time passcode (OTP) received via text message to her mobile phone.

In June 2023, NewDay changed the process for customers who had used or registered for its mobile banking app previously. Under the new process, those customers are required to complete appropriate authentication within the app.

Mrs H says she did download the app at one point but then removed it from her phone. She says she prefers to use her laptop to access her account. She says the screen on her phone is small and that, due to her age, she finds the app difficult to read and navigate because her fingers aren't as nimble as they once were.

NewDay didn't accept Mrs H's complaint. It said the new process was the most secure option and that it can't revert her account to the previous OTP authorisation process. It told us Mrs H used the app frequently between March and May 2023 and that there's no reason to exclude her from the new process. It also referred to the customer authentication requirements set out in the Payment Services Directive (PSD2).

Our investigator recommended the complaint be upheld. He noted that Mrs H says she has difficulty using the app and concluded NewDay should find an alternative option that meets her needs. He also recommended it pay £100 compensation for the distress and inconvenience caused.

NewDay didn't accept the investigator's assessment. It said Mrs H still uses her phone to communicate so it's not reasonable to say the screen is too small. In any event, it should have accessibility features, including to increase the size of text. It says the decision to implement the new process is business policy and its view on the complaint is unchanged.

The complaint has now been referred to me for review.

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've reached the same overall conclusions as the investigator, and for broadly the same reasons. If I haven't commented on any specific point, it's because I don't believe it's affected what I think is the right outcome. In considering this complaint I've had regard to the relevant law and regulations; any regulator's rules, guidance and standards,

codes of practice, and what I consider was good industry practice at the time.

In my view, Mrs H has raised genuine concerns about the accessibility of the app in her circumstances and I don't think NewDay is treating her fairly by simply dismissing those concerns without any effort to understand or accommodate them.

I've noted the reasons NewDay has given for implementing the change of process in June 2023. But it's also confirmed that customers to whom the change didn't apply – those who hadn't used the app previously – are still using the previous OTP authorization process. So it seems clear NewDay is satisfied that approach does meet the requirements of PSD2 and other relevant regulation. And that its decision not to allow Mrs H to revert to the OTP process is because it's unwilling rather than unable to do so.

Taking everything into account, I think NewDay's continued refusal to alter its process in view of Mrs H's accessibility requirements is unfair and unreasonable and that it should do more to support her needs. Mrs H is asking NewDay to revert to its previous OTP authentication process, which is being used by other customers, and I think this is a reasonable request that should be met.

It's for these reasons that I'm upholding Mrs H's complaint.

Putting things right

The principal aim of any award I make is to return Mrs H to the position she'd be in but for the inappropriate actions of NewDay.

In this case, if NewDay had properly considered and acted on Mrs H's reasonable request, I think it would have reverted her account to the original OTP authorisation process still being used by customers who hadn't used the app previously. To put things right, it follows that I think NewDay should also revert her account to that process. Mrs H says she'd prefer to receive OTPs by text message as before but would also be happy to receive them by email.

In addition, I think the circumstances outlined would have caused Mrs H some distress and inconvenience. The amount to award for a consumer's distress and inconvenience can be difficult to assess as the same situation can impact different customers in different ways. But in the circumstances of this case, I'm satisfied the £100 recommended by the investigator is fair and reasonable. I therefore instruct NewDay to pay this amount.

I'm satisfied this represents a fair and reasonable settlement of this complaint.

My final decision

For the reasons I've explained, I'm upholding Mrs H's complaint. Subject to her acceptance, NewDay Ltd trading as John Lewis Partnership Card should now put things right as I've set out above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs H to accept or reject my decision before 5 September 2024.

James Biles
Ombudsman