

## **The complaint**

Miss M complains that NewDay Ltd declined an online purchase she was trying to make with her credit card and blocked her account.

## **What happened**

Miss M holds a credit card account with NewDay.

On 8 March 2024 she tried to make an online purchase for a flight ticket. The transaction was declined.

NewDay sent Miss M a SMS asking her to verify the transaction. Miss M responded and confirmed the transaction.

Miss M attempted the transaction again, but it was declined.

Miss M contacted the Customer Service Department on 9 March 2024. The agent completed security with Miss M and removed the block.

Miss M used a different credit card to purchase her ticket but by then the price had increased. She complained to NewDay.

NewDay didn't uphold the complaint. In its final response dated 20 March 2024 it said it hadn't made any errors in the administration of the account. It said that on 8 March 2024 Miss M had made a transaction on the account which its fraud detection system flagged up as high risk, so the security department placed a temporary block on the card. NewDay said that confirming the transaction to be genuine in response to the SMS does not authorise the transaction, and that a follow up SMS will then be sent advising the customer to attempt the transaction again. NewDay said that additionally, as the online security checks failed when Miss M tried to make the purchase, online transactions were restricted until a customer service team associate took Miss M through security and removed the block. NewDay apologised for any inconvenience caused but said it couldn't be held responsible for the increased flight ticket cost.

Miss M remained unhappy and brought her complaint to this service.

Our investigator didn't uphold the complaint. He said the transactions had been flagged by the fraud detection system and that NewDay had followed its processes correctly.

Miss M didn't agree. She said she didn't think the transaction should've been declined twice and that the agent she'd spoken to on the telephone told her it was NewDay's error that the block hadn't been removed.

## **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 know it will disappoint Miss M, but I agree with the investigators opinion. I'll explain why.

I've read and considered the whole file, but I'll concentrate my comments on those points which I think are relevant. If I don't mention a specific point, it isn't because I've failed to take it on board and think about it, but because I don't think I need to comment on it in order to reach what I think is the right outcome.

The information provided by NewDay shows that the transaction made by Miss M on 8 March was flagged by the fraud detection system. This resulted in the account being blocked and a text being sent to Miss M asking her to verify that the transaction was genuine. Miss M responded to the text and confirmed the transaction was genuine.

NewDay has explained that verifying the transaction doesn't mean that it is authorised. The transaction must be attempted again.

I can see that Miss M attempted the transaction again, but it was again flagged by the fraud detection system.

I appreciate that this was very frustrating for Miss M and that she ultimately paid more for her ticket when she purchased it with another card. However, the fraud detection system is automated and flags any transactions which are identified as high risk. The purpose of the fraud detection system is to protect customers and, whilst I understand that in this case the transaction was genuine, its important that NewDay has these processes in place.

Having reviewed what happened, I haven't seen any evidence that NewDay made an error or treated Miss M unfairly. It followed its fraud detection processes correctly.

Miss M has said that she thinks NewDay should've removed the block after the first attempted transaction. She says that when she called NewDay the agent told her that it was NewDay's error that the block hadn't been removed.

I've listened to all the telephone calls between Miss M and NewDay. I haven't been able to find any evidence that the agent told Miss M that NewDay should've removed the block or that it had made an error. The agent told Miss M that the block would normally be removed after Miss M responded to the SMS text. However, because the fraud detection system flagged the transaction when it was attempted the second time, Miss M needed to call NewDay to remove the block.

I appreciate that the block on the card caused frustration and inconvenience for Miss M. However, as I've said above, I'm unable to find any evidence that NewDay has made an error. The fraud detection system is automatic and will identify high risk transactions, sometimes twice as in this case. I agree with the investigator that the agent could've explained things a bit better to Miss M on the telephone calls but ultimately, I'm unable to uphold the complaint.

### **My final decision**

My final decision is that I'm unable to uphold the complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss M to accept or reject my decision before 21 November 2024.

Emma Davy  
**Ombudsman**