

The complaint

Mr E is unhappy with how NewDay Ltd handled things when he disputed some transactions on his credit card.

What happened

Around July 2023 Mr E says he contacted NewDay and asked to dispute various transactions from his credit card, in relation to dental consultations and treatment. I've numbered the transactions Mr E raised with our service below for ease:

Transaction	Transaction date	Amount	Paid to
1	01/01/2023	£200	'A'
2	12/01/2023	£150	'A'
3	09/01/2023	£135	'B'
4	14/01/2023	£250	'C'
5	14/02/2023	£150	'D'

Mr E gave various reasons to NewDay for the disputes:

- *Transactions 1 and 2* – Mr E said, “*services not delivered*”.
- *Transaction 3* – Mr E said B gave him a “*false receipt*” and so were in breach of contract.
- *Transaction 4* – Mr E said an invoice had been issued by a healthcare provider where medical services were not received. He said C may have made a “*fraudulent claim*”.
- *Transaction 5* – Mr E said D gave him a “*false receipt*” and were not “*lawfully trading*”.

It appears NewDay asked Mr E to provide some further information and evidence about some of the disputed transactions. After investigating, NewDay did not raise chargebacks on most of the transactions. And it did not further pursue one claim that was raised and defended.

Mr E then wrote to NewDay complaining about the outcomes reached. And he said it ought to have considered things under Section 75 of the Consumer Credit Act 1974 ('S75') rather than go through the chargeback scheme.

NewDay issued a final response to the complaint in September 2023. This said, in summary, about the transactions:

- *Transaction 4* – a chargeback was raised but Mr E's evidence hadn't shown that he didn't receive the goods or services paid for. So, the chargeback was then declined.

- *Transaction 5* – the claim didn't meet any grounds to raise a dispute under the card scheme.

Mr E was unhappy with this and referred the complaint to our service. Our investigator asked him to provide further information about all of the transactions, along with copies of any contracts between himself and A, B, C and D.

Mr E gave some further details about what he disputed:

- *Transactions 1 and 2* – Mr E said, “*services were not provided as a private patient*” as he expected and he was seen under the NHS.
- *Transaction 3* – Mr E disputed who the contract was with and mentioned three parties involved.
- *Transaction 4* – Mr E said, “*the data suggests the service was provided as an NHS patient and not private patient*”.
- *Transaction 5* - Mr E said no official receipt was provided. And he said the services paid for were not delivered by D.

Our investigator then asked Mr E for more information about this, including the services he expected to receive from each provider. And we asked Mr E to provide evidence any treatments or appointments he mentioned weren't performed by who he expected.

Mr E provided two invoices for £150 each. And he gave a letter from a surgeon, where the contents were redacted.

Mr E then provided a registration form, an invoice for £250 from C showing an “*initial medical consultation*”, a heavily redacted letter from a medical professional and heavily redacted ‘clinical history sheets’.

Our investigator issued an opinion and explained he wasn't upholding the complaint. In summary, he said the following in relation to:

- *Transactions 1 and 2* – Mr E hadn't shown evidence to back up what he said about the disputes.
- *Transaction 3* – NewDay acted reasonably by not raising a chargeback as there wasn't a relevant ‘code’ to raise a dispute under.
- *Transaction 4* – C defended the chargeback claim when NewDay raised it. And Mr E didn't provide evidence to give the claim a reasonable chance of success.
- *Transaction 5* – Mr E hadn't shown evidence to show he didn't receive the services disputed. So NewDay acted fairly by not raising a chargeback.

Our investigator also said he thought there was not enough evidence to suggest any claim under S75 would've been successful.

Mr E was unhappy with this. In summary, he said in relation to:

- *Transactions 1 and 2* – that the contract had been deleted from an online portal. Mr E said he had proven the intention to use an “*unregulated and unlawful imaging*”

company”.

- *Transaction 3* – Mr E said a receipt was the contract in this case. And he said this showed services were received from a “*legal entity company which has a company number unknown*”.
- *Transaction 4* – he said “*billing data*” showed the wrong clinic provided services.
- *Transaction 5* – he said D was “*unlawfully registered and trading*” .

Mr E also provided an examination report that he said showed A had misdiagnosed him.

Our investigator explained this didn’t change his opinion about the complaint.

The complaint was then passed to me to decide. I asked our investigator to request some additional information from NewDay about the transactions and the actions it took at the time.

NewDay responded and our investigator then issued a second view clarifying some points.

In summary, our investigator said in relation to:

- *Transaction 1* – he clarified it appeared this payment was for £210, but he was satisfied this was what Mr E referenced for the dispute. Our investigator said he now didn’t think Mr E raised this dispute with NewDay at the time, so it needed to take no further action.
- *Transaction 2* – our investigator said he now didn’t think Mr E made this transaction on his NewDay credit card. So he said NewDay didn’t need to take any action.
- *Transaction 3* – he said he’d seen evidence that Mr E asked to dispute this transaction with NewDay, but it didn’t appear to have considered it. Our investigator said he didn’t think any dispute would’ve had a reasonable chance of success but said NewDay should’ve acknowledged the dispute and explained this at the time.

Our investigator said he thought NewDay should pay Mr E £50 to reflect what happened with transaction 3.

NewDay got in touch and said it accepted our investigator’s opinion.

Mr E contacted our service and explained he wanted the case to be passed to an ombudsman.

As Mr E remained unhappy, the complaint was passed to me to decide.

I sent Mr E and NewDay a provisional decision on 16 April 2025. My findings from this decision were as follows:

I’d like to begin by explaining to both parties that I may not comment on every piece of evidence nor every point raised. Specifically, I don’t intend to cover off all of the supporting evidence Mr E supplied in significant detail. I want to reassure both parties that I have carefully considered all of the evidence and information. But, I’m going to summarise and focus on what I think are the key facts and the crux of the complaint, which reflects the informal nature of our service.

Mr E complains about claims made under the chargeback scheme. A card issuer can attempt a chargeback under certain circumstances when a consumer has a dispute with a merchant – for example when goods or services aren't provided.

It isn't a legal right and it's not guaranteed any funds will be recovered. But I'd generally consider it good practice for a card issuer to raise a dispute if there is a reasonable chance of it being successful. The chargeback process is subject to the rules of the scheme and strict criteria apply. It's worth pointing out here that these are not set by NewDay. It's important to note that there are specific reasons or 'codes' that a dispute must match in order to be able to claim.

Mr E also complains that NewDay didn't consider things under S75. So, S75 is relevant to this complaint. This explains, under certain circumstances, that the borrower under a credit agreement has an equal right to claim against the credit provider, NewDay here, if there's either a breach of contract or misrepresentation by the supplier of goods or services.

This complaint involves several different transactions. So, I will go through these in turn.

Transactions 1 & 3 :

I'm satisfied NewDay didn't look into raising chargeback disputes or S75 claims on these transactions.

Our investigator recently explained he didn't think Mr E disputed transaction 1 with NewDay.

However, I disagree. Mr E has provided the correspondence he says he sent to NewDay from when he raised the disputes and complaints.

In some correspondence, Mr E gives details of transaction 1 and says:

"There has also been a service failure at ('A') where both transactions of £200 & £150 were made in good faith but services not delivered.

I have made an official complaint to the service provider but there has been no response. I have tried unsuccessfully to resolve this dispute with the retailer. Under Section 75 of the Consumer Credit Act 1974, you are jointly and severally liable for any breaches committed by the retailer. I would now like to under the Chargeback Scheme rules, I would like a refund for this service."

I can see a contact note from NewDay from two days after Mr E dated this correspondence.

This says:

"Another complaint email received from the customer. The customer has already sent it to complaints so no action required."

So, I'm satisfied NewDay likely received this but mistook it for another complaint Mr E had also sent.

I agree with our investigator that it appears transaction 1 was actually for £210, rather than the £200 that Mr E mentioned. But, given he gave the date, details of A and an amount close to the correct one, I think NewDay should've understood he wished to dispute transaction 1.

In the same email, I'm satisfied Mr E raises a clear dispute about transaction 3.

So, I'm satisfied Mr E raised disputes with NewDay for transactions 1 and 3. I've gone on to

consider what this means.

I appreciate there are some hypotheticals here. But I need to consider what I think would've most likely happened if NewDay did consider raising the disputes. I would've expected it to request information from Mr E to give more details about the claims and to support what he said. Based on what I've seen, I'm satisfied there's a good chance NewDay then would have decided a valid code did not exist to raise the claims under.

But, even if it did raise the claims, I don't think Mr E has provided anything to show either claim had any reasonable chance of success. So, I find that whatever happened Mr E's claims would not have been successful.

For the same reasons, I find had NewDay raised claims under S75, Mr E hasn't demonstrated a breach of contract or misrepresentation in either case. So I'm satisfied these also wouldn't have been successful.

That being said, I still think NewDay did something wrong here. It should've acknowledged Mr E's disputes and explained to him the reasons these were either declined or not taken forward. Not getting a response must have been very frustrating for him. And so I think he's suffered distress and inconvenience because of what happened.

I think it's reasonable NewDay pays Mr E £100 to reflect this.

Transaction 2:

NewDay has provided a copy of Mr E's credit card statement showing the period in question.

I'm satisfied there is not a transaction paid to A for either the date or amount Mr E says. So, it follows I'm satisfied he had no valid claim under either the chargeback scheme or S75 for transaction 2.

Transaction 4:

Here a chargeback claim was raised by NewDay.

I've seen the merchant's response where the claim was defended. In summary, it explained Mr E did receive the consultation that he paid for. It said it believed the dispute was about whether Mr E should've paid for the consultation, as he believed he was covered under a third party private medical policy. But the merchant explained he didn't provide authorisation from the third party. And it said the third party policy provider had contacted it and explained Mr E wasn't covered for the condition he was seeking treatment for and so he would need to cover the cost.

At this point, NewDay needed to decide whether to accept this, or if it should refer the matter to the card issuer for it to arbitrate and ultimately decide the outcome. Thinking about the robust defence from the merchant, along with what evidence and arguments Mr E put forward, I don't think the claim had a reasonable chance of success at arbitration. It follows I don't think NewDay did anything wrong by not pursuing the claim further.

I'm also satisfied Mr E hasn't shown a breach of contract or misrepresentation took place.

So, I can't see he's lost out by NewDay not considering this under S75.

Transaction 5:

NewDay explained this transaction didn't meet any of the grounds under the card scheme's guidelines for a dispute.

Looking at the complaint he raised at the time, Mr E told NewDay that he disputed the transaction because D gave him a "false receipt". I agree with NewDay that there wasn't a valid code to raise a chargeback under here.

Mr E later said he wasn't provided with the services from D. But, I'm again satisfied he hasn't evidenced this. It follows I don't think NewDay did anything wrong by not raising a chargeback.

I'm also satisfied Mr E has not shown that a breach of contract or misrepresentation occurred, so I can see why NewDay didn't raise a claim under S75.

Summary:

I find NewDay should've given Mr E a response to the disputes on transactions 1 and 3. I think it caused Mr E some distress by not doing so. But, I think these disputes ultimately wouldn't have succeeded whatever happened.

In relation to transactions 2, 4 and 5, I know how strongly Mr E feels about these. And I'd like to reassure him again that I've carefully considered all of the invoices, notes, receipts, emails and other documents he's provided. But I haven't seen that any chargeback claims nor S75 disputes in relation to these transactions had any reasonable chance of success.

I gave both parties two weeks to come back with any further evidence or comments.

NewDay responded and said it accepted my findings. Mr E didn't come back with anything further for me to consider.

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 thought about everything again, I still think this complaint should be upheld and NewDay should pay Mr E £100 to reflect the distress and inconvenience caused by it not responding to transactions 1 and 3.

I also still think Mr E's other claims were either not valid or had no reasonable chance of success under the chargeback scheme. And I'm still not persuaded there has been any breach of contract or misrepresentation under S75.

The reasoning behind this is the same as I explained in my provisional decision and set out above.

My final decision

My final decision is that I uphold this complaint.

I instruct NewDay Ltd to pay Mr E £100.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr E to accept or reject my decision before 30 May 2025.

John Bower
Ombudsman