

## **The complaint**

Miss W complains on behalf of Mr H about issues they experienced when attempting to make a payment to a credit card with NewDay Ltd trading as John Lewis Credit Card.

## **What happened**

On 31 October 2024 Miss W telephoned NewDay to make a payment to her John Lewis credit card. She was asked to enter her CVV numbers from her debit card using the telephone keypad. Miss W entered the CVV number but was advised it was incorrect. She tried a second time with the same result. Mr H then tried a third time but was advised it was incorrect.

The card was suspended for 24 hours with no further payment attempts permitted during that time. The following day Mr H drove to his bank and paid the balance on the credit card by bank transfer.

The same issue occurred the following month.

Miss W complained to NewDay. NewDay didn't uphold the complaint. It said Miss W had entered the CVV details incorrectly.

Miss W remained unhappy and brought the complaint to this service.

Following the referral of the complaint to this service, NewDay reviewed the complaint and found that on the day the payment was attempted there had been a system issue. It offered to pay compensation of £150 for the inconvenience caused.

Our investigator thought the offer was fair and reasonable.

Miss W didn't agree. She said the compensation didn't reflect the wasted time and stress caused by NewDay. She said she wanted an apology from NewDay plus increased compensation.

Because Miss W and Mr H didn't agree I've been asked to review the complaint.

## **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 W and Mr H 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 are most relevant to my decision. If I don't comment on a specific point, it's not 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.

Firstly, I'd like to acknowledge what a time-consuming experience this has been for Miss W and Mr H. I also appreciate how frustrating it must be to now learn that there was a systems issue affecting some card payments on the relevant dates, because Miss W and Mr H had previously been told by NewDay that they must've made an error entering the CVV code.

NewDay has acknowledged that there was a system issue, but it has only recently come to light that this was the cause of the problem. So, when Miss W was trying to make payment, the agent who was assisting her wouldn't have been aware that there was a system issue. And when Miss W complained to NewDay it's likely that the system issue still hadn't come to light at that stage.

That said, NewDay ought to have been aware of any system issues affecting its ability to take payments, or, if it wasn't aware, it should've taken steps to establish whether there were any issues affecting the system when Miss W raised a complaint. So I think NewDay could've done more to help Miss W and Mr H when they first experienced the issues.

I've reviewed the information provided by NewDay. The system issue didn't affect every customer, and there's no evidence to suggest that there were widespread complaints about the issue which should've alerted NewDay to the issue sooner.

NewDay has said that the issue affected October payments but hasn't found anything to suggest that November payments were impacted. Miss W has been clear in her testimony that her November payment was affected as well. I'm persuaded that it's more likely than not that the same issue affected some November payments.

I've thought about the impact of this on Miss W and Mr H. It's clear that they've been caused inconvenience because of the extra journey to the bank that they made, and the time spent trying to resolve the matter. That said, there were other ways (other than going to the bank) that payment could've been made. These are set out on the monthly statement.

Taking everything into consideration, I think the compensation offered is fair and reasonable and in line with what this service would award.

### **Putting things right**

To put things right NewDay Ltd must pay compensation of £150 to Mr H.

### **My final decision**

My final decision is that I uphold the complaint. NewDay Ltd must pay compensation of £150 to Mr H.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr H to accept or reject my decision before 31 July 2025.

Emma Davy  
**Ombudsman**