

The complaint

Mr M is unhappy that NewDay Ltd trading as Fluid gave him incorrect information about a money transfer and reversed a payment without his authority.

What happened

On 31 January 2024 Mr M phoned NewDay to ask about transferring money from his credit card account to an account with another bank. He says NewDay told him if he paid off what he currently owed in full, he could transfer up to 90% of his credit limit immediately.

Later that day Mr M paid money into his credit card account to clear the balance owing on the account. Then he tried to transfer 90% of his credit limit to his bank account but the transfer didn't go through. Mr M contacted NewDay again and was told that the money transfer couldn't be made until the following day as the payment into his account had to clear first. He explained how that put him into a difficult position as he needed the funds to be in his account urgently to make various payments due the following day.

The call handler gave Mr M the option of reversing the payment he'd made into his account or waiting until the payment cleared the next day when he would have been able to make the money transfer. Mr M decided to wait for the payment to clear. The call handler also said that money transfers could take up to three working days.

Without Mr M's authority NewDay reversed the payment. That meant Mr M didn't have access to the funds until 3 February.

Mr M complained to NewDay. It didn't accept that its call handler had given him incorrect information in the first call. It accepted that it shouldn't have reversed the payment without his authority. It paid him £65 compensation for the upset it had caused him and refunded him £452.83 being three months' interest and fees as a goodwill gesture.

As M remained unhappy, he referred his complaint to this service. He says as a result of NewDay's errors he missed several credit and loan repayments, which damaged his credit score. That led to a contract worth £12,000 to him being terminated as the role depended on him having a clean credit record. He was also forced to take out several expensive short-term loans which he was struggling to repay.

Our Investigator didn't recommend the complaint be upheld. She didn't think NewDay needed to do anything more in order to treat Mr M fairly.

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.

Firstly, I would like to point out that in considering this complaint I've taken into account relevant law and regulations, guidance and good industry practice. This includes the

Financial Conduct Authority's Consumer Duty introduced as a new standard (in respect of open products) from 31 July 2023.

Secondly, I'd like to assure Mr M that I have read the whole file and listened to the two calls he made to NewDay which are the subject of this complaint. I'll concentrate on what I think is relevant. If I don't mention something specifically, it's not because I've overlooked it but because I don't think I need comment on it in order to explain why I have reached my decision.

In the first call Mr M made to NewDay, he asked what was the most he could pay to another bank account if he paid his balance in full. NewDay's call handler told him in that situation he could transfer 90% of his balance. He asked whether she was totally sure. She said she was. The amount of the transfer seemed important to him and he didn't say that he would need to make the credit transfer within any particular timeframe. So I'm not persuaded Mr M made it explicitly clear to NewDay that he needed to make the credit transfer on the same day as clearing his balance or that NewDay was at fault in not telling him that.

In addition the terms of his account state that if the account has gone over the credit limit (which Mr M's had), he should allow up to 7 working days for his payment to clear before trying to use his credit card again. They also say that a payment from a credit card account to a bank account will be credited by the end of the working day after a customer has requested the money transfer. In summary I don't think it was NewDay's fault that the funds didn't reach Mr M's bank account in time to fund the direct debit payments which were due to leave his bank account on 1 February.

NewDay has accepted that it was at fault in reversing the payment which Mr M had made into his credit card account without his knowledge or authority. This meant it took a day later than it would otherwise have done for Mr M to access the funds. However, even if the payment hadn't been reversed, the direct debits due on 1 February would still have been unpaid. So, I don't think NewDay's error was responsible for these payments not being made on time and any consequential impact on Mr M's credit record. I also can't see that this failure led to his contract not being renewed. I note that although one contract wasn't renewed, the company was happy to continue to work with Mr M on another project.

The fact that NewDay reversed the payment without Mr M's knowledge undoubtedly caused him unnecessary trouble and upset at a time when he was already very concerned about his finances. I'm sorry to hear of the difficulties Mr M has faced but overall I feel the redress paid by NewDay is fair and reasonable in the circumstances. I don't think it would be right to require it to do any more to resolve this complaint.

My final decision

For the reasons explained above, I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr M to accept or reject my decision before 12 August 2025.

Elizabeth Grant
Ombudsman