

The complaint

Mr C complains about the outcome of payment disputes he made to NewDay Ltd trading as Fluid (NewDay) and how the disputes were handled.

What happened

Mr C used his NewDay credit card to make various purchases and raised a number of payment disputes with Fluid. Of the disputes raised, 12 disputes are relevant to this complaint. The relevant transactions are as follows:

Date	Amount	Goods/Services	Dispute raised
3 February 2024	£140.92	Hotel	<i>"I was not provided any services by merchant"</i>
6 March 2024	£245.18	Flights	<i>"No plane tickets were supplied and at the airport I was told they had no tickets for me"</i>
8 March 2024	£214.15	In store clothing	<i>"Order not delivered not available for pick up"</i>
8 March 2024	£1,559.83	Airbnb accommodation	<i>"Property was inhabitable, on the 9th floor lift not working. No services supplied"</i>
12 March 2024	£1,267.60	In store clothing	<i>"After waiting over 3 weeks the suit is still not available"</i>
14 March 2024	£124.06	Vehicle transport services	<i>"No service was supplied, the company had wrong equipment"</i>
8 April 2024	£506.75	In store clothing	<i>"T shirt is out of stock and can not be delivered"</i>
9 April 2024	£317.72	Massage therapy	<i>"No services was supplied as the"</i>

			<i>merchant had no suitable female massage therapist available as requested</i>
9 April 2024	£352.11	Massage therapy	<i>"Suitable female massage therapist was not available as such the service was cancelled and no services were supplied"</i>
10 April 2024	£353.94	Hotel	<i>"Hotel was fully booked and had no available room"</i>
12 April 2024	£842.12	Hotel	<i>"Hotel was over booked and did not have room available that had been booked"</i>
18 April 2024	£372.22	Hotel	<i>"Room was beyond repair, bathroom was clogged, room was uninhabitable, and no stay was full filled"</i>

Mr C raised a chargeback dispute for each of the transactions listed above through NewDay's mobile banking application, and for each of them he selected the reason code 'Goods/Services Not Received'. He provided a brief summary of the dispute he was raising (as above) and NewDay raised a chargeback dispute with the respective merchants. All the merchants defended the disputes, providing proof of goods/services rendered. So, NewDay declined the claims.

Mr C complained to NewDay as he was unhappy that he had been held liable for these disputes, that he hadn't been given reasons why they were declined or an opportunity to provide evidence to support his claims, that his credit file had been affected due to non-payment of these disputed amounts, and that he had been prohibited from accessing his online account so he couldn't see his statements or raise further disputes for other transactions. NewDay reviewed the complaint and didn't think it had done anything wrong, so Mr C brought his complaint to our service.

Our investigator clarified with Mr C the three main issues he wanted us to consider as follows:

- The outcome of the 12 disputes.
- NewDay not having considered the disputes under Section 75 of the Consumer Credit Act 1974 (Section 75) once the chargebacks were declined.
- NewDay having removed Mr C's ability to access his online account following it having

taken the decision to close his account.

Our investigator reviewed the complaint and found that based on the information it had, NewDay had declined to proceed any further with the chargeback disputes reasonably. Our investigator said NewDay should have considered Section 75 sooner and for delays in the progression of disputes, the £100 offered by NewDay in its file to us was fair. Our investigator also said it was unclear why Mr C lost access to his account however NewDay had asked Mr C to contact it if he was having trouble accessing his statements, and this service has now been restored.

Unhappy with this outcome, Mr C asked for an ombudsman to consider his complaint. He said NewDay has failed to adequately guide him through the dispute process and accepted receipts provided by the merchants when Mr C is not disputing that he authorised the transactions, but rather that he has not received the goods or services. Mr C mentioned that NewDay has made errors, but he, as a customer can only make errors to his detriment which he feels is unfair. So, the complaint has now been passed to me to decide.

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 would like to start by saying that I have provided a brief summary of the events that occurred above. I intend no discourtesy by this and can assure both parties that I have taken all the information provided into consideration when reaching a decision on this complaint.

In this decision, I'll concentrate my comments on what I think is relevant. If I don't comment on a specific point, it's not because I've failed to consider it, but because I don't think I need to comment in order to reach a fair and reasonable outcome. Our rules allow me to do this, and this reflects the nature of our service as a free and informal alternative to the courts.

I also think it's worth clarifying that I'm deciding whether NewDay acted fairly in assisting Mr C with his dispute against the various merchants. I'm not making a finding on the underlying disputes Mr C has with the merchants. NewDay did not fail to provide the goods or services Mr C is attempting to recover payment for, so when considering what's fair and reasonable, I'm only considering whether NewDay acted in line with its obligations as a provider of financial services.

Chargeback

Chargeback is a voluntary scheme under which settlement disputes are resolved between card issuers and merchants, under the relevant card scheme. A card issuer will review the claim against the possible reasons for a chargeback and look at whether it would be able to make a successful claim for the customer. Card issuers do not have to submit claims and usually will only do so, if it is likely to be successful. We don't expect them to raise a claim if there is little prospect of success.

I will now consider each of the disputes in turn:

- £140.92 paid to a hotel on 3 February 2024

Mr C said he was not provided with any services by the merchant. The merchant supplied an invoice, a copy of Mr C's passport which he supplied as identification during hotel check-in and a receipt which clearly indicates that payment was made in person. Considering the evidence provided, I find it to be implausible that Mr C checked in to the hotel and made

payment in person but did not receive the hotel services and so, I find it reasonable that NewDay found the dispute to have low prospects of success and declined to progress the chargeback dispute any further.

- £245.18 paid for flights on 6 March 2024

Mr C said no plane tickets were supplied and at the airport he was told there were no tickets for him. The merchant supplied various pieces of evidence to show not only that the flights were non-refundable but also that Mr C had travelled and utilised the tickets. Considering the evidence supplied by the merchant, I find it reasonable that NewDay found the dispute to have low prospects of success and declined to progress the chargeback dispute any further.

- £214.15 paid in store for clothing on 8 March 2024

Mr C said his order was not delivered and was not available for in store pick up. The merchant has provided evidence to show that payment for an item was made in store. Considering this is a store environment, I find it unlikely that Mr C would have made a purchase for an item that was not available at that time. There is no suggestion on the receipt that the item was not present and was not being paid for in the moment. There is no suggestion that collection at a later date or delivery of the item was required. As such, I find it reasonable that NewDay found the dispute to have low prospects of success and declined to progress the chargeback dispute any further.

- £1,559.83 paid for accommodation on 8 March 2024

Mr C said the services were not supplied. He said the property was on the 9th floor and the lift was not working. Airbnb responded outlining its cancellation policy and that the order to book accommodation was processed and fulfilled correctly.

The name and card number on the documentation supplied by the merchant do not match those of Mr C. I cannot see that NewDay noted and went back to query this, and I find that it should have before deciding whether or not to proceed with this dispute. However, the amount paid, dates of booking and accommodation booked match those which Mr C is disputing so I have continued on to look further at the matter. Even if NewDay had gone back to query this, the concern here is not whether he made the booking but whether he received the services. Considering the lack of evidence provided by Mr C, I don't think NewDay would have been able to successfully argue this dispute on his behalf.

Mr C has provided us with evidence to show that as the lift stopped working on the day he got there, and he could not climb up the stairs to the 7th floor with his family and luggage so he cancelled the booking via message directly with the person who was renting him the accommodation via Airbnb. This person also said they would agree a refund; however, I can see no evidence that Mr C has further communicated with them about the refund or even that Airbnb has previously been informed about this matter. I would have expected reasonable attempts to resolve the matter with the merchant to have been raised prior to a chargeback dispute.

Crucially, Mr C provided no evidence or information to NewDay about this issue. I understand Mr C complains that he couldn't provide evidence, but this is because he selected Goods/Services Not Received when choosing a reason code, and for this particular code, NewDay does not ask its customers for evidence – just details of the transaction. Mr C had the opportunity to explain the situation to NewDay in the free text boxes, but he only said what I have quoted in the table above. There is a discrepancy between the floor numbers mentioned in the evidence versus in the dispute information.

Taking all this into account, based on the information NewDay had available to it at the time, I find it reasonable that NewDay found the dispute to have low prospects of success and declined to progress the chargeback dispute any further.

- £1,267.60 paid in store for clothing on 12 March 2024

Mr C said that after waiting for three weeks, the suit was still not available. The merchant confirmed that the tailoring order was collected and paid for on that day, in store. The merchant provided an invoice and card payment receipt to support its statement. As this item involved an element of tailoring, I find it likely that collection may need to be after an order has been made. Whether the payment was made before collection (as Mr C asserts) or after collection (as the merchant asserts) is difficult to prove. Again, the merchant was not aware of any issue with the clothing until the dispute request was received, meaning Mr C has not chased the establishment for the goods despite having paid quite a large sum of money for them. I find it unlikely that a person who had spent this much on a bespoke item of clothing would fail to chase the merchant if it was not received, and in the absence of any evidence to support Mr C's position I find it reasonable that NewDay found the dispute to have low prospects of success and declined to progress the chargeback dispute any further.

- £124.06 paid for vehicle transport services on 14 March 2024

Mr C said the company had the wrong equipment, so the service was not provided. The merchant supplied a document from the local police detailing the service performed, an invoice and a receipt which was paid for in person. Based on the strength of the evidence provided by the merchant, I find it reasonable that NewDay found the dispute to have low prospects of success and declined to progress the chargeback dispute any further.

- £506.75 paid in store for clothing on 8 April 2024

Mr C said the T shirt is out of stock and was not delivered. The merchant has provided evidence to show that payment for an item was made in store. Considering this is a store environment, I find it unlikely that Mr C would have made a purchase for an item that was not available at that time. There is no suggestion on the receipt that the item was not present and was not being paid for in the moment. There is no suggestion that collection at a later date or delivery of the item was required. As such, I find it reasonable that NewDay found the dispute to have low prospects of success and declined to progress the chargeback dispute any further.

- £317.72 paid for massage therapy on 9 April 2024
- £352.11 paid for massage therapy on 9 April 2024

For both of the above transactions, Mr C said he did not receive a massage as a suitable therapist was not available. The merchant has confirmed that these payments were for renting a room by the hour, and that the service had been delivered. I can only assume that Mr C has made in error in the transactions he is attempting to dispute here so I find it reasonable that NewDay found the dispute to have low prospects of success and declined to progress the chargeback dispute any further.

- £353.94 paid for a hotel on 10 April 2024

Mr C said there was no available room at the hotel. The merchant has supplied evidence to defend its position. I should note that the date of birth and nationality on the documents provided match Mr C's information, however the name and some other information on the documentation provided does not match. I therefore find that NewDay should likely have questioned this further with the merchant before declining the claim.

However, even if it had, I don't think it would have made a difference here. I say this because the amount charged is the same and looking at the other hotel bookings Mr C made, it appears as though this booking falls directly between two others, so Mr C required accommodation between these dates and it's likely this booking was for him. Whilst Mr C has said he didn't receive the service, he's said this on a number of other occasions where there is clear evidence he did utilise the service/ collect the goods. So, I think it was reasonable for NewDay to doubt the credibility of what he's said regarding this booking particularly as the date of birth and dates match. Therefore, I find it reasonable that NewDay found the dispute to have low prospects of success and declined to progress the chargeback dispute any further.

- £842.12 paid for a hotel on 12 April 2024

Mr C states the hotel was overbooked, and he didn't get a room. The merchant has provided an itemised receipt including slips signed by Mr C when he ate at a restaurant and charged the food to his room. Based on the strength of the evidence provided by the merchant, I find it reasonable that NewDay found the dispute to have low prospects of success and declined to progress the chargeback dispute any further.

- £372.22 paid for a hotel on 18 April 2024

Mr C raised various concerns about the quality of the room. It doesn't appear that Mr C chose the correct reason code for raising a dispute as he does not dispute having received the service. So, the merchant has provided an invoice showing Mr C stayed at the hotel in response, which is reasonable considering the reason code used for the dispute but does not answer the issue Mr C has raised.

However, there is a clear lack of evidence of complaint to the merchant about the conditions of the room, and I can see Mr C stayed more than one night. Based on the information available to me I find it reasonable that NewDay found the dispute to have low prospects of success and declined to progress the chargeback dispute any further.

Section 75

I understand NewDay has accepted that it should have raised claims under Section 75 following Mr C having requested it do so during a phone call that took place on 16 August 2024. The claims weren't raised until 2 January 2025 when Mr C phoned to make the request again.

NewDay has made an error here and as our investigator pointed out, we do not expect customers to know the ins and outs of payment disputes. Despite NewDay having separate processes for raising chargeback and Section 75 disputes it could have done more to set Mr C on this path sooner in addition to actioning his request promptly once it was made.

Mr C's Section 75 claims are being reviewed by NewDay and so he has not suffered any adverse consequences aside from a delay in consideration, and for this I find the £100 it has already offered to Mr C to apologise for its actions reasonable.

I understand Mr C has failed to make payment on the disputed amounts and this has caused accounts arrears and affected his credit file. When a chargeback is made, a credit is made to the account, and it is withdrawn if the chargeback is not successful. Mr C was notified when the charges were applied to his account again and as per the terms and conditions of his account, he was required to make payment on time towards them. As ongoing payment disputes do not affect this requirement, I find the consequences Mr C has suffered to be of

his own making and as such I do not find that NewDay has treated Mr C unfairly concerning this matter.

Statement access

Mr C said after his account was closed, he was unable to access his statements. When Mr C raised this concern, NewDay informed him that despite the account being closed as there was an outstanding balance he had yet to pay, he should still be able to access the account and view his statements. NewDay asked Mr C to contact it if he wasn't able to and I cannot see that Mr C got in touch with NewDay in response to this. I find that NewDay acted appropriately here and understand Mr C has gained access now, so I do not have anything further to add on this matter and consider it resolved.

Overall, I appreciate Mr C has faced various challenges whilst raising his disputes and is unhappy generally with the outcomes of his disputes and the service received. However, having looked at all the information provided by both parties I am not recommending that NewDay take any action to put things right for Mr C aside from paying him the £100 offered whilst this complaint has been with our service,

My final decision

My final decision is that I do not uphold this complaint in relation to the outcome of the claims. I require NewDay Ltd trading as Fluid to pay Mr C £100 for errors made with the handling of Mr C's disputes.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr C to accept or reject my decision before 24 July 2025.

Vanisha Patel
Ombudsman