

The complaint

Ms A complains that NewDay Ltd trading as John Lewis Credit Card allowed various fraudulent transactions to be paid on her credit card. She is unhappy NewDay allowed the payments to be made without any checks, that it hasn't explained how the fraud occurred and wants compensation for the time it took her to be satisfied her account and devices were safe from any further fraud.

What happened

Between 16 and 17 May 2024 a third-party spent around £14,289.17 on her credit card without her knowledge. Ms A complained to NewDay and said that she had spent eighteen hours trying to make sure that her other accounts were secure following the fraud. She said because she is self-employed, she had lost earnings of around £810 and paid for a subscription service for twelve months to check her credit rating which cost £179.88. NewDay reviewed the complaint and said it didn't think it had done anything wrong. It said it hadn't found Ms A liable for the disputed transactions and had refunded her credit card. It then sent a further response to Ms A and it found that it had incorrectly sent another customer's letter to her by e-mail and had failed to credit the full amount of the disputed transactions to her credit card. So, NewDay refunded the remaining amount (£0.82) and offered £75 in compensation that was paid to her account with NewDay.

Ms A remained unhappy, so she brought her complaint to our service.

Our Investigator felt the complaint should be upheld and NewDay should pay a total of £250 (a further £175) to Ms A for the way it handled this matter.

NewDay disagreed and asked for an Ombudsman's review. It said £75 was a more reasonable amount to pay.

Ms A also asked for the complaint to be reviewed by an Ombudsman.

I was allocated the complaint and was minded to uphold the complaint in part. I was minded to say that NewDay should pay Ms A £150 in total – a further £75.

NewDay agreed with my provisional decision. But Ms A didn't agree. She said that £150 wasn't enough compensation for NewDay's errors and the stress this caused her.

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 done so, I'm going to uphold the complaint in part. I don't think the amount of compensation Ms A has asked is reasonable. Nor do I think the offer from NewDay of £75 is sufficient. I'll explain why below.

I've considered Ms A's testimony and the various actions that she took after finding out her credit card had been used for fraud. I note that Ms A is unhappy that NewDay failed to explain how this happened. I understand her frustration and why she would want to know how the transactions were allowed to leave her account. However, I can also understand why NewDay doesn't want to explain how it happened. It doesn't want to explain how fraudsters were able to make such payments around its systems and make that general knowledge. And I don't consider that an unreasonable response from NewDay.

I note that Ms A took some time to reassure herself that her devices and other accounts hadn't been hacked. But I don't think I can find NewDay solely responsible for Ms A deciding to take such action and subsequently the time she took to travel and speak with other businesses. Nor do I think I can ask NewDay to consider the amount Ms A paid for the credit score subscription. There are other options that are not as costly available to the public. And ultimately, the person responsible for the fraud was the fraudster here with NewDay having to write off the disputed transactions.

But I do think NewDay could've handled this matter better. Ms A did call NewDay when she mentioned that she had received a suspicious call but that doesn't seem to have been taken very seriously at the time. The fraudster was then able to spend a large amount of money very quickly on the account without Ms A needing to approve any of the spending. So, I can see why Ms A was distressed with the situation and then subsequently suffered inconvenience in having to speak to NewDay to report the fraud. NewDay then made small mistakes such as sending another customer's letter and not refund the full amount of the disputed transactions which would've caused further distress to Ms A.

As a result of the above, I'm satisfied that a total of £150 is a reasonable amount for NewDay to pay here. NewDay has already made a £75 payment to Ms A so it should pay her a further £75.

My final decision

My final decision is that I uphold this complaint in part. NewDay Ltd trading as John Lewis Credit Card must pay Ms A a further £75.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms A to accept or reject my decision before 31 October 2025.

Mark Dobson
Ombudsman