

The complaint

Mr P has complained NewDay Ltd trading as Aquacard won't refund all payments he says he made and lost to a scam.

What happened

The details of this complaint are well known to both parties, and not in dispute, so I will only include a summary here. Mr P was contacted unexpectedly via a messenger app and informed he could make 1% compounding interest daily from an investment opportunity. He was initially able to make some small withdrawals, which led him to believe this was a genuine investment. However, Mr P subsequently realised it was a scam when he was unable to withdraw any further funds without first depositing more. In total Mr P has explained he invested, via different accounts, circa £10,000 in this scam – over £300 was paid using his Aquacard in January 2025.

Mr P informed Aquacard of the scam, but it did not refund any of his lost monies. Nor did it uphold his complaint as it did not consider that it had acted incorrectly by allowing the payments to be made. Ultimately, it did not consider the payments to have been unusual enough to have caused it to prevent Mr P from being able to send his funds to a money remittance provider. Mr P disagreed and referred the complaint to our service.

Our Investigator considered Mr P's complaint and she too agreed that the payments were not of such a value, or frequency that ought to have caused Aquacard any concern. However, Mr P disagreed and requested a final decision.

As the complaint could not be resolved informally it has been passed to me to issue a final decision.

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'm aware that I've summarised this complaint briefly, in less detail than has been provided, and in my own words. No courtesy is intended by this. Instead, I've focused on what I think is the heart of the matter here. If there's something I've not mentioned, it isn't because I've ignored it. I'm satisfied I don't need to comment on every individual point or argument to be able to reach what I think is the right outcome. Our rules allow me to do this. This simply reflects the informal nature of our service as a free alternative to the courts.

I am sorry to hear about the situation Mr P has found himself. However, just because a scam has occurred, it does not automatically entitle him to recompense by Aquacard. It would only be fair for me to tell Aquacard to reimburse Mr P for his claimed loss (or a proportion of it) if: I thought Aquacard reasonably ought to have prevented all (or some of) the payments Mr P made, or Aquacard hindered the recovery of the payments Mr P made – whilst ultimately being satisfied that such an outcome was fair and reasonable for me to reach.

I've thought carefully about whether Aquacard treated Mr P fairly and reasonably in its dealings with him, when he made the payments and when he reported the scam, or whether it should have done more than it did. Having done so, I've decided to not uphold Mr P's complaint. I know this will come as a disappointment to him and so I will explain below why I've reached the decision I have.

I agree with the investigator's conclusions for the following reasons:

- It isn't in dispute that Mr P authorised the transactions in question. He is therefore presumed liable for the loss in the first instance. However, Aquacard is aware, taking longstanding regulatory expectations and requirements into account, and what I consider to be good industry practice at the time, that it should have been on the look-out for the possibility of fraud and made additional checks before processing payments in some circumstances. Although, the scam reimbursement rules that came into effect on 7 October 2024 do not apply here.
- I have kept in mind these payments were being made to a money remittance provider, which are mostly used for international payments as Aquacard would be aware, but that doesn't mean they should automatically be treated as suspicious. This is particularly so when there are not sufficient concerning factors about the payments. Ultimately, Mr P was sending funds to a legitimate entity offering a genuine money remittance service. Even if Mr P had not previously sent funds to such an entity before, I would not consider it to be a red flag that ought to have been suspicious to Aquacard in isolation of any wider concerns.
- I'm not persuaded that Aquacard should have been concerned with Mr P's payments as they would not have appeared to be suspicious or unusual. I think it's important to highlight that there are many payments made by customers each day. It's not reasonable to expect Aquacard to stop and check every payment instruction to try to prevent fraud or financial harm. There's a balance to be struck between the extent it intervenes in payments to protect customers and not unnecessarily disrupting legitimate payment instructions.
- The payments Mr P made were not of such a significant value that Aquacard ought to have prevented them. Although they were both sent on the same day, I don't consider this to have needed to trigger an intervention when their value, individually and as a total, was so low. Ultimately, these payments did not have the common hallmarks of a scam which would have highlighted to Aquacard that Mr P may be at risk of financial harm.
- I am sorry to hear about the vulnerable situation Mr P was in at the time of the scam and how the scam has exasperated his vulnerabilities further. Due to their sensitive nature I will not list what Mr P has informed us of here. The repercussions such a cruel scam has had on Mr P is not something I have overlooked when reaching my decision. However, I've not seen a pattern emerge that should have highlighted that Mr P's decision-making was potentially impaired due to these vulnerabilities. Nor have I seen any evidence that Aquacard should have ascertained Mr P was at risk of financial harm because of them. I appreciate his vulnerability did impact things like his concentration. However, I do not think Aquacard acted unreasonably by allowing his payments to be made.
- I've noted that Mr P has explained one bank gave him a full refund of his losses he incurred whilst transferring funds to the scammer via them. However, we consider

each case on its own individual merits and although one bank has decided to refund him it does not automatically mean Aquacard must do so as well.

- I'm not persuaded there were any prospects of Aquacard successfully recovering the funds via chargeback, given his money seems to have been used for the expected service before being sent to the scammers. Nor do I consider that the protections offered by Section 75 (of the Consumer Credit Act 1974) would have been applicable here when ultimately Mr P's issue is with the scammer, not due to any failings by the money remittance provider where his funds were paid.

I'm very sorry to disappoint Mr P, especially considering the impact this cruel scam has had on him. However, I don't think Aquacard should have prevented him making the payments. So, it wouldn't be reasonable for me to ask them to refund the payments he made.

My final decision

My final decision is I am not upholding this complaint against NewDay Ltd trading as Aquacard.

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

Lawrence Keath
Ombudsman