DRN-5770862

The complaint

Mr C complains about the way NewDay Ltd handled his request for a refund.

What happened

In September 2024, Mr C contacted NewDay to raise a dispute for a transaction he made on his NewDay credit card in June 2024 for £779. This was for issues he experienced during a stay at a holiday park ran by a business I'll refer to as 'T'. NewDay initiated a chargeback under the Mastercard scheme. However, following a defence submitted by T, NewDay decided not to pursue matters further.

Mr C complained to NewDay mainly about the way it handled his chargeback. When NewDay maintained its position, he referred matters to us. In brief, our investigator didn't think the complaint should be upheld. I agreed with this view but provided additional reasoning. Mr C disagreed, so the matter has been passed back to me to reconsider.

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.

While I might not comment on everything (only what I consider key) this is not meant as a discourtesy to either party – it reflects my informal remit. I've reconsidered all the available evidence and taken into account the further submissions from Mr C. However, I can't see that he has added anything fundamentally new and/or said something I hadn't considered when reaching my provisional decision. So, my decision remains the same, for the same reasons, which I've summarised as follows:

- In terms of a 'like claim' against NewDay under section 75 of the Consumer Credit Act 1974 ('section 75'), for breach of contract or misrepresentation (by T), amongst other things, I've had regard to the implied terms set out in the Consumer Rights Act 2015. I've also had regard to all other regulations, law and best practice when reaching this decision.

- I can see T told NewDay that electric car charging facilities weren't part of the contract it had with Mr C – rather these were staff only facilities which it, at times, allowed customers to use free of charge but only when staff weren't using them. I think the evidence of Mr C asking (T's) staff for permission to use these facilities when he arrived at the holiday park and him expecting, at the very least, to have to pay for this service (electric car charging points), supports what T said in this regard. So, I remain of the view, that I don't think there's persuasive evidence of a breach of contract or misrepresentation for which NewDay can be held liable here.

- I appreciate Mr C thinks a member of T's staff disconnected his car from the charging point 'maliciously'. But I don't think the evidence supports there was a breach of contract in this regard. So, whilst I note what Mr C says about the level of compensation he was asking NewDay to pay was less than he paid for the holiday, as

I don’t think there’s persuasive evidence of a breach of contract or misrepresentation, I’m not asking NewDay to pay any compensation in regard to the section 75 provisions.

- In respect of Mr C’s chargeback request, I think the nearest Mastercard reason code was ‘goods/services not provided’ or ‘goods/service were either not as described or defective’. But from all the evidence, it appears Mr C received the holiday he paid for. I remain of the view that, on balance, his chargeback didn’t have a reasonable chance of succeeding here. So, I don’t think NewDay was acting unfairly or unreasonably for not pursuing Mr C’s chargeback request following T’s defence to the claim.

- I’ve taken on board all of Mr C’s further submissions in regard to how NewDay handled his chargeback and the customer service issues he raises. As noted in my provisional decision, it appears that Mr C was asked for all relevant evidence to support his chargeback via the declaration form. So, NewDay did, in my view, give him the opportunity to provide anything he thought was relevant at the outset of his claim. And whilst NewDay took around two weeks longer than it told Mr C it would take, I can’t see this, by itself, disadvantaged him. For example, he was refunded the disputed amount of £779 for all of the relevant period and so, had the benefit of this – including not paying interest on this amount – while his chargeback was ongoing.

- I note what Mr C says about not being given sufficient notice about his chargeback not being successful. And I’m sorry that he found having the (temporary) refund reversed at short notice difficult. But NewDay told him at the outset that he’d only be able to retain the refund if his chargeback was successful (which, ultimately, it wasn’t). And it does appear that NewDay refunded the overlimit fee of £12 on the same day it was taken, which I think was fair. I appreciate Mr C had concerns about the impact of this fee on his credit file. However, I can’t see that he has provided any evidence of anything negative being reported on his credit file in this regard.

For all these reasons, and whilst I know this will be a disappointing outcome for Mr C, I’m not upholding this complaint.

My final decision

My final decision is that I don’t uphold this complaint.

Under the rules of the Financial Ombudsman Service, I’m required to ask Mr C to accept or reject my decision before 19 September 2025.

Yolande Mcleod
Ombudsman