

The complaint

Mr K complains that NewDay Ltd won't refund disputed transactions made from his account. He's also unhappy with the service they provided.

What happened

Mr K had two credit cards with NewDay.

Mr K phoned NewDay regarding an issue he had with being charged interest. On calling NewDay he was told that this was the result of spending on the card. When this was shared with Mr K he explained he hadn't spent on the card for several months – but wasn't sure exactly when he'd stopped carrying out payments.

The advisor went through several transactions with Mr K that he confirmed he didn't authorise. The advisor also asked Mr K about his second NewDay card and Mr K confirmed this was ok. But they also highlighted that Mr K had made payments on both cards at the same city in Turkey, at the same time, which they found odd if Mr K hadn't authorised all the payments. The advisor later explained to Mr K they didn't think it was fraud and they were closing both of Mr K's accounts.

Mr K wasn't happy with their response so complained to our service.

One of our Investigators looked into Mr K's complaint. They thought NewDay acted fairly in declining to refund the disputed transactions based on the authority needed to consent to them, namely loading cards to a digital wallet and chip and PIN. So they didn't ask NewDay to refund them. But, they thought the service NewDay provided via their fraud department wasn't satisfactory and likely caused Mr K some distress. They asked NewDay to pay Mr K £50 compensation for the impact.

NewDay didn't respond. Mr K didn't agree so it's 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've seen evidence that the payments Mr K's disputing were authenticated via various methods, including Chip and PIN, contactless, long card number and a digital card. However, the relevant legislation says on its own this isn't enough for him to be held liable. NewDay also need to fairly show Mr K likely authorised the payments. I'm satisfied it's fair for them to conclude this, I'll explain why below:

The transactions were authenticated via various means including chip and PIN, contactless, the long card number and a digital wallet. For a fraudster to carry them out they'd need access to Mr K's card, PIN and mobile phone. All without his knowledge. Mr K has explained that his carer supports him with his finances, including helping him to withdraw cash and checking his statements. However, Mr K also shared with our service that his carer wasn't

able to assist him during the period the disputed transactions took place. Plus he confirmed to NewDay that his carer wouldn't have carried them out. So, for this reason I can't fairly conclude Mr K's carer completed the transactions without his knowledge.

This leaves me to consider the possibility of an unknown third party completing them without Mr K's knowledge. However, I can't safely conclude it's plausible a third party obtained his card, PIN and mobile phone on more than one occasion and used them without Mr K's knowledge.

Some of the disputed transactions took place when Mr K was out of the country, and he's shared his passport to show he wasn't there at the time. I've considered Mr K's argument, and it's true I can't see any stamps on his passport for Turkey at the time. However, I've also seen evidence of spending at the same time in Turkey via two of Mr K's other accounts, which leads me to conclude it's unlikely the spending took place without his knowledge.

Even if I accept Mr K's argument that *he* wasn't in Turkey at the time this doesn't mean the transactions were necessarily unauthorised. The transactions would also be authorised if Mr K gave permission for a third party to use his card. And for the reasons I've outlined above I can't fairly conclude a fraudster could have obtained Mr K's security details without his knowledge.

Taking into account Mr K's memory problems I think it's likely he's forgotten consenting to the disputed transactions. It follows I can't fairly ask NewDay to do anything further here.

Lastly, I've considered the service Mr K received when calling the fraud team. I appreciate that NewDay didn't have a record of Mr K's disability on their system, however, I'm satisfied that once Mr K mentioned he had a carer – and showed signs of confusion on the call – NewDay should have been more empathetic to his needs. I think this caused Mr K distress, and £50 fairly compensates him for this.

Putting things right

I'll be directing NewDay to pay Mr K £50 compensation for the impact caused to him by their poor service.

My final decision

My final decision is I partially uphold Mr K's complaint and direct NewDay Ltd to:

- Pay Mr K £50 compensation

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr K to accept or reject my decision before 31 March 2026.

Jeff Burch
Ombudsman