

The complaint

Mr M is unhappy with the service he received from NewDay Ltd in relation to his credit card.

What happened

I issued Mr M and NewDay with a provisional decision setting out why I was minded to uphold Mr M's complaint in part, and invited both parties to provide any further evidence and / or submissions in reply.

As both parties have had sight of my provisional decision, for the purposes of this final decision I've summarised the background to this complaint and my provisional findings below, which now form part of this final decision.

Background

Mr M expressed several concerns about the service he received from NewDay which related to his experience and things he was told on calls with NewDay on 10 October 2024; 25 October 2024 and 30 October 2024; as well as his discovery that a missed payment had been reported despite being in a payment holiday, and that he was sent two duplicate letters in mid-November 2024.

NewDay offered Mr M £50 for shortcomings in the level of service they had provided for him, and following our Investigator's involvement this offer was increased by £20 to reflect the delay in paying Mr M the original offer of £50.

Our Investigator considered the total offer of £70 to be a fair resolution in the circumstances, but Mr M strongly disagreed with this. The matter was therefore passed to me to decide and I issued my provisional findings as summarised below.

Provisional findings

Payment holiday and missed payment

Mr M's payment holiday started on 26 August 2024. NewDay's payment holiday arrangement meant Mr M's contractual minimum payments did not apply during that period, but any amounts already overdue when the payment holiday started would be reported to the individual's credit file.

Mr M's August 2024 statement, produced before the payment holiday started, said a payment of £40.01 was due by 19 September 2024. Mr M made a payment of £500 towards the account on 30 August 2024, but then later asked for this to be refunded due to financial difficulties – the £500 was refunded.

Mr M said no payment was due whilst he was in a payment holiday, so the non-payment of £40.01 should not have been recorded as 'missed'.

NewDay said that because Mr M had made a payment of £500 on 30 August 2024 but then later asked for this to be refunded, it meant the payment requested prior to the start of the payment holiday had not been paid.

My provisional findings on this point were that there was nothing to suggest NewDay had reasonably highlighted to Mr M that following the £500 being refunded, not making the payment of £40.01 would result in a missed payment being reported. However, given Mr M was experiencing financial difficulties at the time, and it was not the first time he had asked NewDay to refund payments to him, this suggested Mr M would more likely than not have found it difficult to have made the required payment of £40.01 even if it had been brought to his attention. I also noted Mr M's credit file was more likely to be impacted by his outstanding credit card balance with NewDay as it was over his credit limit by more than £2,000.

I provisionally concluded it was reasonable for the payment in question to be reported as missed.

25 October 2024

Mr M was unhappy the NewDay agent told him during a call on 25 October 2024 that he should not have had a refund of £55 paid into his account because it was over the limit. Mr M said this contradicted a letter NewDay had sent him.

From my review, my provisional findings were that NewDay fairly resolved any confusion and impact to Mr M, so I didn't think there was anything to put right here.

30 October 2024

Mr M was unhappy that a call with NewDay was dropped; however, having listened to the call it wasn't possible to know what happened. The NewDay agent was mid-way through speaking when the call dropped, and that particular NewDay department did not have the ability to call customers back. I acknowledged Mr M's frustrations on this point, but there was not enough to persuade me NewDay had done something wrong here.

I considered Mr M's concerns that he hadn't been able to use his credit card number for customer verification as he had previously done; however, I concluded it was not unreasonable for NewDay to ensure the right level of security for their customers and as Mr M was able to pass through the requisite security questions without any problem, there was nothing to suggest this impacted the progression of the call. I also explained it was not for me to interfere with a firm's systems, processes or controls and it was reasonable for NewDay to ensure security for their customers' accounts.

I considered Mr M's concerns that NewDay did not warn him when he was to receive £100 into his account. NewDay acknowledged they should have given Mr M some advance warning. However, as the payment was made the same day as Mr M called about it, I did not think there had been any impact to Mr M who I thought it fair to say would likely have been aware of where the £100 paid into his account would have come from. And that it was likely his preference would have been to have it refunded sooner rather than later.

Mr M expressed concerns that a NewDay agent had told him a payment holiday was not suitable for his circumstances even though one had already been agreed with the appropriate NewDay department. My provisional findings were that this contradiction was unhelpful for Mr M, but I also noted that what the agent had said did not affect Mr M's payment holiday which was already agreed.

Duplicate letters

Mr M raised concerns about two letters sent to him that were the same. Mr M said this caused him a lot of confusion.

I noted NewDay had already accepted the letters were duplicates and the confusion had arisen due to different complaints Mr M had raised in a relatively short space of time. My provisional findings were that this was not Mr M's error, but it was likely Mr M was able to see these were duplicate letters and there was nothing to suggest the letters caused any problems.

Summary

My provisional findings concluded there were times NewDay could have provided a better level of service to Mr M, and that collectively this caused Mr M a degree of trouble and upset to sort out. I also said NewDay could have better managed Mr M's expectations when a missed payment would be reported. Overall I said a fairer sum to reflect the trouble and upset caused to Mr M would be a total of £100. And that as NewDay had already paid Mr M £50, I proposed they should now pay him a further £50.

Responses to my provisional decision

Mr M provided a detailed response to my provisional decision, disagreeing with my provisional findings. I've summarised Mr M's response here:

- Mr M said had he known that a missed payment would have been recorded if he did not pay the £40.01 then he would have made every effort to pay it given the small amount and he would have sought the funds from family / friends. Mr M said the missed payment should be removed and a substantial amount of compensation be awarded for the error.
- Mr M said no reference had been made to the error he highlighted which happened on 10th October 2024.
- Mr M queried whether the call on 25 October 2024 had been listened to in relation to the £55. Mr M said the matter had not been sorted out on the call, and the adviser had given their opinion. Mr M said the adviser should not have spoken to him like that. Mr M said he did not think this had been properly understood.
- Mr M said every effort should have been made to call him back on 30 October 2024 after the call dropped, instead of requiring him to call back, wait in a queue, go through security once more and then explain his concerns again.

Following Mr M's response I approached NewDay to see whether they would be open to removing the missed payment marker for Mr M. After consideration, they agreed to do so in an effort to reach a resolution in this matter. NewDay also confirmed they were happy to increase the compensation to £100 as proposed in my provisional 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.

While I've only included a summary of everything that has happened above, I assure both parties I have reviewed all the available evidence and submissions. I may not respond to each individual point either party has raised, but it does not mean I have not taken them into account, rather I have focused on those points I consider relevant to reaching a fair and reasonable resolution in this matter based on the circumstances of this case.

I also make clear once more that my role here is not to fine or punish a firm, or to interfere with its systems, controls or practices – those are considerations for the appropriate regulator. It is also not my role to consider NewDay's complaints process.

I have again considered the payment holiday and the reporting of a missed payment.

I maintain that it would have been helpful for NewDay to let Mr M know that not paying the £40.01 would have an impact on his credit file, but I think it's fair to still question whether Mr M was in a position to make any payment to the account at that time due to the fact he had entered into a payment holiday, had asked for a return of his funds, and was experiencing financial difficulties. Mr M has said he would have relied on friends and family, although I am mindful that is not always possible and that friends and family can potentially ask for money back.

That said, I've not looked into this any further, as while NewDay maintain the reporting of a missed payment was due to Mr M making a payment of £500 to his account and then asking for it to be returned, NewDay have offered to remove the negative marker in question to resolve things.

I am aware Mr M is seeking a high sum of compensation in relation to this particular part of his complaint, but in the circumstances, and given Mr M's credit file would still have been negatively impacted by this account due to the outstanding balance being more than £2,000 over the credit limit, I think removing the negative reporting here is a fair resolution to this part of Mr M's complaint.

I've considered Mr M's recent comments in relation to the call from 25 October 2024 and assure him that I had already listened to this call prior to my provisional decision.

During the call on 25 October 2024 the NewDay agent acknowledged and apologised that the £55 had not been paid to Mr M's bank account following an earlier call with NewDay around 18 October 2024. The agent did say NewDay would not normally have paid the sum into Mr M's credit card account due to it being over the limit. The agent therefore explained to Mr M the amount which had already been credited to his credit card account would be removed from Mr M's credit card account, and paid into Mr M's bank account as Mr M wanted. The agent confirmed Mr M's bank account details to process this.

Mr M's recent submissions are that the adviser was giving their opinion that he should not have received the money for whatever reason, and they should not have spoken to him like that.

Having listened to the call the agent did not say that Mr M should not have the money. The agent explained they wouldn't 'normally' have applied the credit to an account that was over its limit, and having listened to the call I think the agent remained professional and polite so I've not heard anything to suggest NewDay acted unfairly or unreasonably here.

The agent also apologised on more than one occasion that the required action hadn't been completed following the 18 October 2024 call and said feedback would be provided.

I therefore think during the call on 25 October 2024 the agent clarified what had happened and reasonably tried to help and get things back on track for Mr M without any further delay.

Mr M says in a call on 10 October 2024 he was told that he had missed a payment even though he was in a payment holiday, and being told this caused him a great deal of concern.

NewDay provided a copy of a call from 10 October 2024, but this does not include any discussion about the point Mr M is raising here.

In the absence of the relevant call recording from 10 October 2024, based on what Mr M has said, it appears the agent was more likely than not stating what was being reported about the status of Mr M's account.

I realise Mr M has said learning this information would have been distressing for him at an already difficult time given his financial circumstances, and that the agent should have taken more care when delivering him information about his account taking into account the payment holiday, but I think it reasonable to say what the agent likely said would not have changed the status of Mr M's account at that time.

The wider issue of the payment holiday and missed payment have already been addressed above. I've therefore not seen enough here to say NewDay did something wrong or treated Mr M unfairly on this point.

I've already set out my findings in relation to the call from 30 October 2024 where the call was dropped.

As I explained in my provisional findings, the department in question was not able to call Mr M back as they could only take inbound calls. I have no doubt this was frustrating for Mr M to go back round the loop of calling NewDay, going through security and explaining the reason for his call again. However, there is nothing here to support NewDay ended the call. It's not clear what happened and why the call dropped. And as I've already said, I am unable to interfere with how NewDay chooses to operate their business. So I've not seen enough here to say NewDay did something wrong.

As set out in my provisional decision, overall I do recognise Mr M's interactions with NewDay here have caused him a degree of upset and frustration and I am sorry to hear that. I realise Mr M is seeking far more in compensation, but taking everything into account, I think a total of £100 is fair in these circumstances, together with updating Mr M's credit records. As NewDay have already paid Mr M £50, they now need to pay Mr M another £50.

Putting things right

NewDay Ltd should pay Mr M £50.

NewDay Ltd should remove the negative reporting relating to the missed payment for £40.01 that was due to be paid in September 2024.

My final decision

For the reasons above, my final decision is that Mr M's complaint is upheld in part and NewDay Ltd should put things right as I've described above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr M to accept or reject my decision before 14 October 2025.

Kristina Mathews
Ombudsman