

### **The complaint**

Mr M has complained about how NewDay Ltd (NewDay) handled a refund claim he made to them.

### **What happened**

Mr M used his NewDay credit card to make a part payment of £500 on a vehicle purchase from a supplier I shall call 'H' in November 2024. He subsequently discovered issues with the car such as a faulty battery, an engine management light issue and the crankshaft sensor. He also had concerns that the cam belt hadn't been changed.

Mr M tried to address this with H and said he had to pay £497 in total for repairs to address the issues. As the matter remained unresolved with H, he contacted NewDay to raise a refund claim for the fault's he'd experienced.

NewDay considered his claim under Section 75 (S75) of the Consumer Credit Act 1974 (CCA) and offered £500.00 to cover the repair costs. Mr M didn't accept this to resolve his claim as he considered additional interest needed to be applied for the loss of use while awaiting repairs.

As the matter remained unresolved, he brought his complaint to this service to consider. Our investigator reviewed the evidence available and reached the conclusion that NewDay's handling of Mr M's S75 claim had been fair and that they didn't think NewDay needed to do anything more.

Mr M didn't agree and considered further interest was due for what had happened. He therefore asked for an ombudsman to issue a final decision on the matter.

### **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 read and considered the evidence submitted by the parties but won't comment on it all – only the matters I consider to be central to this complaint. This isn't intended as a courtesy but reflects my role in resolving disputes informally. I note Mr M has provided several points in his submissions, and while I do appreciate this, I will be focussing on the crux of the complaint and what is most pertinent to the fairest way forward.

It's important to note that NewDay aren't the provider of the goods here – so in deciding what is fair and reasonable, I'm looking at their role as a provider of financial services. In doing so I note that because Mr M paid for this transaction using a NewDay credit card, both chargeback and a S75 claims were available.

However, regarding chargeback, I won't be focusing on this as this would generally be for a full refund of the goods following return and wouldn't include interest in any event. In this case a S75 claim is better suited as it is broader in scope and Mr M's complaint relates to a possible breach of contract and misrepresentation of the vehicle purchased.

## **S75**

S75 provides that in certain circumstances the borrower under a credit agreement has an equal right to claim against the credit provider if there is either a breach of contract or misrepresentation by the supplier of goods and services.

To assess a valid claim, NewDay would've needed to consider all relevant evidence for the alleged breach of contract or misrepresentation. But for there to be a valid claim under S75 there are certain technical requirements and I'm satisfied they've been met here.

The crux of Mr M's complaint is the quality of the car itself and that it wasn't to the level expected. I've therefore considered this under S75 in terms of the fairest way forward.

### *Breach of contract*

Mr M has stated there were a few issues with the vehicle following the purchase, the first being a faulty battery. NewDay has said that the S75 claim was declined at that time as H offered to cover the costs of the battery and in addition they set up a warranty for Mr M to use for any further repairs.

The claim was reviewed later in May 2025 and at the time, the communications with H showed this was for a sum of £492.16 for further repair costs. To address this, NewDay offered £500.00 to cover this in full, and credited his account for £25 due to some mis-advice during the claim process.

As all parties agree that a remedy was required for the vehicle faults, I've focused on the redress itself and whether it is fair. Mr M in his submissions to this service said the repair costs needed to be reimbursed, but he also stated that he should get statutory interest on the £6,500 paid for the vehicle, applied over the 64 days he said he was unable to use it, along with interest on the repair costs as well.

The Consumer Rights Act 2015 (CRA) implies a term into the contract that the vehicle must be of satisfactory quality considering factors like age, mileage and price (Section 9). As the vehicle was over ten years old with more than 90,000 miles, some deterioration is to be expected. Section 23 (S23) then gives the right to repair or replacement where goods don't conform. It doesn't provide for interest or financial loss of use.

Mr M asked for interest because he couldn't use the car for a period, But interest isn't a remedy for loss of use – it's not awarded simply because someone has been inconvenienced or unable to use a vehicle. As his request for interest is linked to loss of use, I don't think it would be fair or appropriate to add it in this way.

I must also add that Mr M has commented on compensation for distress and inconvenience suffered but S75 does not cover non-financial consequential loss of this type either and so wouldn't have factored into NewDay's considerations.

As a result, I don't think there's anything further to consider then beyond a refund for the car repairs — which has already been offered by NewDay as a resolution to the S75 claim. I acknowledge there are two slightly different figures referenced for the repair costs but as NewDay has offered £500 — which exceeds both amounts, I'm satisfied their offer fairly reflects the full costs of repairs, regardless of which figure is taken.

I also understand the £25 offered was with mind to the fact NewDay incorrectly considered Mr M's further fault claim with the prior claim regarding the faulty battery. As this was subsequently addressed, I think this offer of compensation is fair.

With all of this in mind, I won't be asking NewDay to do anything more.

#### *Misrepresentation*

I appreciate Mr M has referred to misrepresentation and specifically that the cam belt hadn't been changed even though the service record stated this happened in July 2019.

However, misrepresentation is generally relied on where a false statement of fact induced the consumer into the contract. Here, I've insufficient evidence that Mr M knew or relied on this when he decided on the purchase. I also can't agree H needed to verify each repair note on the service record as I don't think this would be reasonable.

In this case, the issue relates to the performance of the contract itself — H didn't meet the contractual standard, which means the more suitable route is breach of contract. Even if I had found that H misrepresented the condition of the vehicle, the usual legal remedy for misrepresentation is to unwind the contract and return both parties to their original position — rather than awarding ongoing compensation or interest for loss of use.

Here, Mr M is seeking further payment beyond the refund already offered. That outcome wouldn't ordinarily flow from misrepresentation even if it had been established, and so misrepresentation wouldn't achieve the remedy he is asking for in any event.

#### *Call to NewDay of 21 May 2025*

Mr M has also asked for a review of the call he made to NewDay as he says this shows he made his position clear for why he didn't think they had handled his claim fairly. I've reviewed the transcript of this call but I don't think this adds anything further to my conclusions on this case and so while I appreciate Mr M's submissions here, I don't think this changes my decision for the reasons stated.

#### *In summary*

I do empathise with Mr M and the fact he considers he is due further interest for loss of use beyond the repair cost reimbursement, but I can't agree this is fair for the reasons explained.

In addition, Mr M has said that the car may incur further costs and wishes the right to claim for these or request a full refund of the vehicle. I wouldn't be able to comment on any future hypothetical issues with the vehicle, although Mr M may be entitled to raise these further with both H and NewDay in the future with mind to whether there are any further remedies available.

In summary, I know this'll be disappointing for Mr M but I won't be asking NewDay to do anything more.

### **My final decision**

For the reasons explained above, I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr M to accept or reject my decision before 2 January 2026.

Viral Patel  
**Ombudsman**