

The complaint

Miss L has complained NewDay Ltd, trading as John Lewis Credit Card, didn't deal with her different disputes properly either in terms of ensuring she was refunded or compensated, or in how they communicated with her.

What happened

Miss L holds a John Lewis credit card which is managed by NewDay. She has made different complaints to NewDay about issues she's had with different transactions made using her card. NewDay gave her £50 compensation for the inconvenience.

These complaints refer to four different merchants:

- Miss L tried to return goods to a retailer. Most of the goods were accepted and a refund of £337.98 was given to Miss L. Miss L tried to raise a partial dispute claim through the NewDay online portal for the outstanding £66.28. She was also concerned about how she was treated within the store. NewDay initially refunded the full amount of £404.26 but then re-debited £337.98 when they noticed this had already been refunded.
- Miss L had booked flights which were subject to delay. Miss L raised a chargeback as she was concerned about the inconvenience she'd had and missed transfers. NewDay wouldn't submit a chargeback as it didn't meet the criteria for chargeback claims.
- Miss L noted a transaction on her card for a taxi fare of \$150. She argued she'd not made this and asked NewDay to refund her. They believed she must have made this as they could show she'd loaded this card to her device enabling this contactless use.
- Miss L disputed transactions to Royal Mail. Although NewDay refunded these, Miss L felt NewDay hadn't been clear in their communication with her.

As Miss L remained unhappy with how she'd been treated, she brought her complaint to the ombudsman service.

Our investigator reviewed the evidence but overall felt NewDay hadn't done anything wrong.

Still dissatisfied, Miss L has asked an ombudsman to consider her complaint.

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.

Having done so, I've reached a slightly different conclusion to our investigator. I'll explain why.

Where there is a dispute about what happened, I have based my decision on the balance of probabilities. In other words, on what I consider is most likely to have happened in the light of the evidence.

When considering what is fair and reasonable, I'm required to take into account: relevant law and regulations; regulators' rules, guidance and standards; codes of practice; and, where appropriate, what I consider to have been good industry practice at the relevant time.

To help me come to a decision, I've reviewed the evidence NewDay provided, along with Miss L's testimony. I've been able to see her original submissions to NewDay.

Miss L's complaint covers both fraud claims and disputes about the service she received. Different considerations are given to both.

The regulations which are relevant to Miss L's fraud complaint are the Payment Services Regulations 2017 (PSRs). These primarily require banks and financial institutions to refund customers if they didn't make or authorise payments themselves.

The international card schemes offer dispute mechanisms which enable card issuers to dispute transactions for customers where they've not received the goods or services they believe they've bought. These are not compulsory, but we expect financial service providers to follow the scheme rules if there's a chance these would result in a successful refund.

There's also consumer credit legislation – specifically section 75 of the Consumer Credit Act 1974 – which enables customers to make a claim if their supplier misrepresented the goods or services or there was a breach of contract.

I won't be rehearsing all of the issues related to these claims as the history of this complaint is well known to both parties. However, both parties should know I have reviewed all the evidence available to me.

Firstly, looking at the disputed goods that Miss L tried to return to the retailer, I can see that she accepts she didn't end up being out of pocket, but I appreciate this isn't always the full story. The retailer and NewDay together provided her with a full refund. I can also see from NewDay's evidence that it took them a considerable time – two months essentially – to realise Miss L had always only been claiming a partial chargeback. She provided full evidence in support of her claim. This doesn't seem to be Miss L's fault, and I can see that NewDay agreed their communication wasn't clear and gave Miss L £50 in compensation.

Miss L was concerned at how she was treated in the store, but the chargeback mechanism doesn't allow for card issuers to compensate for this aspect. I appreciate why Miss L may feel NewDay should do more, but I don't agree that they should be responsible for how she was treated by a retailer.

The key aspect on the flights dispute and chargeback claim is that Miss L was inconvenienced. However based on the contractual evidence I've been able to review, the flight provider wasn't in breach of their terms and conditions so similarly NewDay had no mechanism to refund Miss L. Similarly, this wouldn't have fallen under the section 75 provision, not that I can see NewDay considered this – which I believe they should have.

It's also the case that I'm satisfied NewDay will have confirmed to Miss L that any chargeback refund can result in the money being reclaimed if the chargeback proves unsuccessful. I say this partly as a customer of NewDay and knowing that this is standard information.

On the two remaining aspects, NewDay refunded Miss L for the disputed Royal Mail transaction but only made this clear when they provided her with a final response in November 2024.

On the other disputed transaction, I have considered what Miss L has told us about her phone going missing and whether a third party could have loaded her new card details to her

device just before the transaction was made in October 2024. But I think this is unlikely as only one disputed transaction was then made. If this had been part of a fraud, I'd have expected to see other attempted fraudulent transactions. It is, of course, possible that Miss L just doesn't recall the merchant, although she may have made a car journey or similar around that time. Merchants often have different names and can also use different currencies because of their home base.

Overall, I won't be asking NewDay to refund Miss L for the disputed transaction as I believe there's enough evidence to show this was most likely authorised by her.

Putting things right

I have considered the issue of compensation though. I do think there are at least two issues where NewDay have delayed reviewing issues and where their communication has been poor.

I believe that £50 overall seems a bit stingy and I am going to ask NewDay to pay Miss L a further £50 which I believe is fair and reasonable. I know our investigator has made NewDay aware of this already. As we're talking about a relatively small amount, I don't believe this merits a provisional decision.

My final decision

For the reasons given, my final decision is to instruct NewDay Ltd, trading as John Lewis Credit Card, to pay Miss L a further £50 in compensation.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss L to accept or reject my decision before 29 December 2025.

Sandra Quinn
Ombudsman