

The complaint

Ms G is complaining about transactions to a third party (G) which she believes were unauthorised. Ms G's husband, Mr H, has also provided information throughout this complaint on her behalf – however for ease throughout this decision I will be referring to Ms G solely. As the agreement is with her and NewDay Ltd trading as John Lewis Credit Card – she is the complainant.

What happened

The facts of this case are well known to both parties so I will only briefly summarise them here.

There are approximately 500 transactions that Ms G is disputing that took place between October 2023 and April 2024 totalling around £7,000. These payments were made to the same third party, G.

Ms G accepts she authorised some of the transactions but “not that many”. She hasn't specified which transactions she is disputing. Instead, she is raising a dispute for all transactions to G from October 2023 until April 2024. NewDay has provided details showing that the transactions were authorised and that over 100 of these transactions had an additional level of verification by text message.

Ms G has also said that the credit card payments were for gambling and should have been blocked too.

On 29 January 2026, I issued a provisional decision not upholding the complaint.

Responses to my Provisional decision

NewDay accepted my provisional decision, but Mr H (on behalf of Ms G) did not.

Among other things he clarified that he did not initially ask for a refund from NewDay but instead wanted details of how all the transactions were authorised and contact details for the suppliers.

Following the provisional decision, the Investigator also clarified that NewDay provided detailed records for the disputed transactions demonstrating that each one was properly authenticated and authorised. And that only a third of these transactions required an additional level of security – specifically, SMS verification to confirm their legitimacy. He also reiterated our impartiality when looking into complaints.

What I have 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 considered the responses carefully, I repeat my provisional findings and find no

reason to depart from them.

Our service isn't a regulatory body or a Court of Law but an informal, impartial dispute resolution service. And while we do take relevant law and regulation into account when arriving at our decisions, our remit is focused on determining whether we feel a fair or unfair outcome has occurred – from an impartial perspective, after taking all the factors and circumstances of a complaint into consideration.

Before I set out my thoughts, I want to acknowledge that I have summarised this complaint briefly and in less detail than has been provided. I've focused on what I think is the heart of the matter. While I may not comment on every point raised, I have considered it. I'm satisfied that I don't need to comment on every individual point or argument to be able to reach what I think is the right outcome. Our rules allow me to do this and reflect the fact that we are an informal service and a free alternative for consumers to the courts.

Generally speaking, NewDay is required to refund any unauthorised payments made from Ms G's account, and she should only be responsible for transactions made on the account that she has authorised. Those rules are set out in The Payment Service Regulations 2017.

I've carefully reviewed the information given to see if NewDay acted fairly in treating the payments as authorised.

Device and IP address

NewDay's internal records show that all payments made to G during the relevant period were completed using the same device. Ms G accepts that some of these transactions were authorised but disputes others. However, she hasn't explained how a third party could have accessed her device to complete the transactions she considers unauthorised. Instead, she said the device was password protected and nobody else has access to it. There also is no evidence that the device was reported as lost or stolen during the period in question.

In reaching my decision, I have also considered the IP address data alongside the other information given. An IP address relates to a location associated with the internet activity of a device or network and while it isn't foolproof it provides some assistance for working out the network and location of the transaction and it is something that I've reviewed carefully.

NewDay has provided details of the IP address used for the transactions to G from 18 January 2024 until the end of April 2024. I appreciate Ms G is disputing transactions from October 2023 – however NewDay hasn't been able to provide the IP data from October 2023.

I've cross-referenced the IP addresses used for the transactions to G from 18 January 2024 with the other transactions that took place at the time. I can see that for most IP addresses used, there was at least one SMS text message sent to Ms G's device asking to confirm a payment to G. Where a specific IP address didn't receive an SMS message confirming a payment to G I can see that the same IP address was used to complete at least one undisputed transaction.

I find it persuasive that this consistency across both disputed and undisputed payments, alongside NewDay's internal notes which show the same device was used for all transactions to G, supports the conclusion that the transactions were carried out by the same user, using the same device, and same access credentials.

I also think it's relevant to consider the scale and duration of the disputed activity. The transactions took place over a period of around six months and involved around 500

individual payments. During this time, payments were repeatedly authorised, account statements were accessed online, and the outstanding balance was being cleared in full each month. Taken together, this supports the conclusion that Ms G was aware of how the account was operating during the relevant period, and it makes it less likely that a third party could have been responsible for such sustained activity without her knowledge. NewDay's internal logs support this by showing that during the period that the disputed transactions occurred there were numerous times where the statements were viewed online (for example on 24 December 2023 and 8 January 2024). Both of these speak to Ms G's awareness of how the account was operating at the time the disputed transactions were occurring.

In the absence of evidence that the device was compromised or accessed by a third party, and after carefully considering the information given, I'm satisfied on balance that NewDay acted fairly in treating these transactions as authorised.

SMS messages

NewDay's internal notes also show that between 3 October 2023 and 13 April 2024 around 172 transactions flagged and had to be authenticated by text message, and these messages are spread out throughout the period in which Ms G is disputing the payments to G. The number NewDay has is the same one our service has for Ms G. And as explained, I haven't been provided with any explanation as to how anyone but Ms G had access to her device and as such would have been able to approve these transactions.

This further persuades me that NewDay acted fairly in treating the transactions as authorised.

Were the payments gambling transactions?

Ms G believes that at least some of the transactions are due to gambling and should have been blocked. She has explained that the transactions involved purchasing tokens and specific games. She has also helpfully provided a breakdown on the specific games the payments went to.

Even if I was persuaded that the transactions were due to gambling, I don't think it would make difference and I'll explain why. I appreciate that Ms G says that gambling transactions should not be allowed to be made on a credit card, but in this case the transactions didn't flag as gambling due to no fault of NewDay. the merchant used a code that didn't flag as a gambling transaction and there is nothing else that persuades me that NewDay should have been alerted to the fact the transactions were related to gambling even considering the pattern of spending on the account. I also don't think it would be reasonable to expect NewDay to look beyond the merchant category code used, or to assess how a merchant's products or in-game tokens might ultimately be used by a customer. NewDay is entitled to rely on the information provided through the payment process itself, and where a transaction doesn't present as gambling, I don't think it would be fair to expect it to be treated as such. So, based on what I've seen I'm not satisfied that NewDay acted unfairly by not treating the transactions as gambling transactions.

NewDay has also confirmed that it has no record of Ms G's vulnerabilities or issues with gambling, and their customer support team is happy to provide support if required. I'll leave it to Ms G to decide whether she wants to pursue this support further.

But taking all of this into account, I'm not persuaded that NewDay had sufficient information at the time of the transactions to justify blocking them or treating them differently.

Ms G vulnerabilities

Ms G has helpfully set out her vulnerabilities, which may have impacted her ability to manage her account and makes her more susceptible to spending money on games.

When considering authorisation under the PSRs, Ms G's circumstances don't usually make the payment unauthorised – I've explained why below.

Regarding payment transactions, the regulations say a consumer's consent "must be given in the form, and in accordance with the procedure, agreed between the payer and its payment service provider" (PSR 2017 R.67(2)(b)).

So, the ways a consumer can give consent should be set out in the terms and conditions of the account. The concept of consent is a formal one – if the consumer uses the agreed form and procedure for making payment orders then they have given consent to the execution of the payment transaction.

This is an objective test, and it doesn't depend on the consumer being fully aware of the details of the payment at the time. Simply put, if the bank receives a request from its customer to make a payment – in line with the terms and conditions of the account - then it is fair for them to consider the transaction as consented to and therefore authorised. As the terms of the account specifically set out that online payments can be treated as authorised, I'm satisfied that the payments were made via a method both Ms G and NewDay agreed to.

This means that despite Ms G's vulnerabilities I don't think NewDay acted unfairly by treating the payments as authorised.

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 Ms G to accept or reject my decision before 16 March 2026.

Sureeni Weerasinghe
Ombudsman