

## The complaint

Mrs M has complained about how NewDay Ltd trading as John Lewis Credit Card (NewDay) handled a refund claim she made to them.

## What happened

Mrs M used her NewDay credit card to hire a furniture removal company I shall call 'C' for their services in February 2025. The payment for these services was to the sum of £2,520.

Unfortunately Mrs M's wine collection was damaged during the move and she suffered further consequential damage to furniture in her home as a result. She raised the issue with C but as the matter wasn't resolved to her satisfaction, she contacted NewDay to raise a refund claim for what'd happened.

NewDay considered her claim under Section 75 (S75) of the Consumer Credit Act 1974 (CCA) and agreed to a full refund of the removal cost along with an additional £49 to compensate for a bottle of champagne. However, they didn't agree that consequential losses for the damaged wine bottles were due as they were given as gifts to Mrs M. They therefore said they didn't think they met the requirements for a successful S75 claim.

Mrs M didn't agree and therefore brought the complaint to our service to consider. Our investigator reviewed the evidence available and didn't agree that the fact the wine bottles were gifts had a bearing on the S75 claim. They therefore felt that an additional £2,000 payment for the consequential losses was appropriate with consideration to the claim evidence provided by Mrs M.

Mrs M had also mentioned there were further damages to the walls and tables but this was difficult to quantify regarding repair costs. Our investigator noted that Mrs M was only entitled to a partial refund for the furniture removal services as they were still provided, even if they had been defective due to the resultant broken items. They also noted that C had offered £1,000 to address what'd happened.

Our investigator concluded that the fairest way forward was to consider the full refund already awarded would offset these additional losses and so nothing further would be due to address the breach in contract here.

They also said an additional £150 compensation should be paid by NewDay for general deficiencies in handling the claim.

NewDay agreed to our investigator's findings and while Mrs M was happy to accept the £2,000 to cover the broken wine bottles, they didn't agree that there should've been a reduction in the refund for the services rendered by C here. They also didn't think that NewDay's handling of the claim had been fully considered.

As Mrs M remained dissatisfied, she 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 discourtesy but reflects my role in resolving disputes informally. In addition, there have been resolutions agreed for some segments of this complaint so I won't be retreading old ground here but focussing on the remaining areas of contention and the fairest way forward.

It's important to note that NewDay aren't the provider of the services here – so in deciding what is fair and reasonable, I'm looking at their particular role as a provider of financial services. In doing so as Mrs M paid for this transaction using her NewDay credit card, both chargeback and an S75 claim could possibly help her. So in deciding what is fair and reasonable I've focussed on this

However, regarding chargeback, I can't see a mention of this in NewDay's final response letter to Mrs M. I won't be commenting further on this as this claim has already been considered under S75, and with mind to its complexities, it would be better suited for it there rather than under chargeback which is often far more limiting in its scope due to the requirements under the card issuer rules. It also wouldn't have covered any consequential losses which is also a subject of this claim.

### **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 Mrs M's complaint is the quality of the service provided by C and the fact it wasn't to the standards she expected. I've therefore considered this under S75. As all parties have agreed there has been a breach of contract here due to the damage incurred to Mrs M's property, I won't be focussing on this but on what the most appropriate resolution should be here.

I'll address each aspect in turn:

### *Breach of contract for service provided*

Mrs M claimed for a refund of the cost of the furniture removal services and NewDay subsequently agreed to refund this in full. However, when considering S75, there needs to be consideration of the express and implied terms of the contract held.

I've looked at C's terms and conditions and they do confirm they will accept liability for damage to items from breach of contract or negligence. This is stated to be £40 per item unless otherwise agreed in writing.

I've also considered the implied terms of the Consumer Rights Act 2015 (CRA) and under section 49 it states that 'every contract to supply a service is to be treated as including a term that the trader perform the service with reasonable care and skill'.

Section 54 then states that if the service doesn't conform to the contract, the consumer's rights include a price reduction as stated under section 56 of the CRA.

In this case C did provide the service but errors on their part meant Mrs M suffered significant financial losses due to the damage to her wine collection as well as furniture in her home.

Rather than providing a price reduction on the redress here, NewDay offered to refund the full costs of the removal services. Mrs M has explained that she had additional financial losses due to damage to her tables and walls but hasn't been able to provide any repair quotes as she says the tables are either irreparable or are prone to further damage if a repair is attempted.

Our investigator noted that C had already offered her £1,000 to address what'd happened and with mind to the fact she had received a full refund for her removal services rather than a partial one, this total refund then was fair for these consequential losses as well.

Mrs M didn't agree – I'll address each of her points in turn:

- Mrs M has asked why we've looked further into the original costs of the removal services here as they'd already been addressed.

While I appreciate Mrs M's position, I'm looking at NewDay's handling of the S75 claim in full – and so this includes any aspects NewDay has already agreed to, and what this means for the total claim outcome.

- Mrs M also has said that the impact of the damage here meant she and her husband had to take time off to oversee the move, had to pack the rest of their valuables themselves and then spent a significant amount of time trying to address this with C.

While I do empathise here, I must explain that S75 doesn't cover any non-monetary consequential losses – so in essence any awards for distress and inconvenience suffered due to what happened. While I appreciate this would've been very difficult for Mrs M, the S75 claim would be limited to the financial losses from the breach of contract here, both in terms of the original amount paid for the services and the subsequent consequential losses. This would then be, in this case, the wine bottles and in turn the damage to the furniture.

I appreciate Mrs M thinks that as the matter of the original service costs have been addressed, a further payment would be due for the damage to the furniture. However C did provide their service for the furniture move apart from valuables that Mrs M chose to pack herself and so the most appropriate remedy here under S75 would've been a cost reduction.

I know Mrs M said there were many other issues with the packing, assembly and customer service and that she has many emails regarding communications on this. While I appreciate her frustration, the removal service was still provided overall and a cost reduction would be most appropriate.

NewDay offered to refund this in full, so this is more than what would be ordinarily expected in these circumstances. As a result I do think this additional refund is appropriate to cover the further losses detailed.

With all of this in mind, I can't agree that NewDay need to offer more for the consequential damage to Mrs M's furniture, noting that S75 won't cover any distress and inconvenience resulting from the breach of contract.

#### *Consequential losses for damage to Mrs M's wine collection*

I'll only refer to this briefly as I understand Mrs M has stated she is happy to accept this resolution to her complaint. Our investigator calculated the losses incurred from Mrs M's claim and felt NewDay should refund £2,000 to address this, which has been accepted by both NewDay and Mrs M.

As direct consequential losses are covered by S75, and these have been evidenced and quantified, this is a fair resolution to what has happened and so I agree that NewDay would need to pay this as a part of the S75 claim.

#### *NewDay's handling of Mrs M's claim*

Mrs M has mentioned that NewDay didn't handle the S75 claim correctly. While I note that NewDay did consider there was no valid claim as the wine bottles were gifts, I wouldn't be awarding compensation for the fact that NewDay reached an outcome that I didn't agree with.

This would be more to do with the overall handling of the claim process – and NewDay has accepted our investigator's findings that £150 compensation is appropriate to address this.

I appreciate the claim wasn't progressed as it should've and Mrs M has said NewDay's communications weren't to the levels expected. While I won't be commenting on the customer service on a granular level here, I do think this award is in line with what we'd normally suggest as fair in situations such as these. And so I think NewDay should pay this to address any failings for their handling of the S75 claim.

#### *In summary*

I understand NewDay has already refunded £2,520 for the furniture service rendered. They have also agreed to the £2,000 refund for the damaged wine bottles and I see Mrs M has accepted this as a resolution for those consequential losses. This meant that the only matters remaining for consideration were the consequential losses for damage to her furniture, for the distress and inconvenience suffered and in addition compensation for NewDay's handling of the claim.

While I appreciate Mrs M doesn't agree, I do think that NewDay's offer to pay the furniture services in full rather than a price reduction is more than what would be expected as a resolution to that aspect of this S75 claim. As a result, and as the costs to rectify the further damage is not quantifiable at this stage, I think the full refund is appropriate to address these additional losses too.

Lastly I think that £150 is appropriate for any deficiencies in NewDay's S75 claim handling here and I won't be asking them to do anything more,

### **My final decision**

My final decision is I uphold this complaint. NewDay Ltd trading as John Lewis Credit Card must:

- Pay Mrs M £2,000 to address the consequential loss of her wine collection.
- Pay her an additional £150.00 for the distress and inconvenience she experienced as a result of NewDay's handling of her claim.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs M to accept or reject my decision before 11 December 2025.

Viral Patel  
**Ombudsman**