

The complaint

Mr A complains that NewDay Ltd trading as Aquacard unfairly refuses to refund him money he says he lost in a scam.

What happened

The circumstances surrounding this complaint are well known to both parties, so I haven't repeated them in detail here. Instead, I've summarised what I consider to be the key points.

Mr A says he was scammed by someone posing as his employer, who contacted him using a popular messaging application and asked him to buy gift cards for the team. He says he was new to the company and thought he was being contacted by his genuine employer, so he agreed.

I understand that Mr A bought three gift cards, but only two were purchased using his Aquacard. He made two payments of £195 each, on 8 May 2025. He was then asked to screenshot the code on the back of the gift cards and send it to the scammer, which he did. The scammer asked him to buy more gift cards but Mr A said he didn't have any more money to do so and realised he had been scammed when he spoke to his genuine employer.

Mr A says he was scammed, he was put under pressure to act quickly and he would like Aquacard to refund him.

Aquacard didn't agree to refund Mr A. It says the payments were authorised, using Mr A's genuine card and PIN. It raised a chargeback claim with the merchant, but the merchant defended it and was able to provide evidence it had supplied the gift cards to Mr A. It also gave Mr A information about support options if he was facing financial difficulty.

Our Investigator didn't uphold Mr A's complaint. They said the payments were not large enough or unusual enough that Aquacard should have intervened to block them or to ask further questions about them. The investigator also said they didn't think Aquacard could have recovered Mr A's money, since it had been paid to a legitimate merchant and Mr A had received the gift cards he paid for.

Mr A didn't accept the Investigator's conclusions. He said he didn't think it was a fair outcome. He said he was a loyal customer of Aquacard and he had provided evidence he had been scammed. This scam had caused him mental stress and financial difficulty. He has been the victim of other scams and is suffering from ill health, all of which have contributed to putting him under further financial strain.

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, while I have considerable sympathy for Mr A and I was sorry to read about

the financial and health issues he is facing, I'm not upholding his complaint. I'll explain why.

The APP scam reimbursement rules which came into effect on 7 October 2024 don't apply in the circumstances of Mr A's complaint. That's because the payments were made by credit card and credit card payments aren't covered by those rules.

The starting position is that a firm is expected to process payments that its customer authorises, in accordance with the Payment Services Regulations and the terms and conditions of the customer's account. And in this case, it's accepted by all parties that Mr A authorised the payments and Aquacard made the payments in accordance with Mr A's instructions.

Taking into account longstanding regulatory expectations and requirements, and what I consider to be good industry practice, I consider Aquacard ought to have been on the look-out for the possibility of fraud and made additional checks before processing payments in some circumstances.

I have reviewed Mr A's account and the payments he made as part of this scam. Having considered when the payments were made, the value and who the payments were made to, I'm not persuaded Aquacard ought to have found the payments suspicious, such that it ought to have blocked them or made enquires of Mr A before processing them. The payments were relatively small and they weren't out of character with other payments Mr A had made from his credit card account. He generally made numerous small payments each month, sometimes more than one payment on the same day and while the size of payments were generally lower than £195, he did occasionally make payments of a similar size. The payments were being made to a well-known merchant, they weren't part of a suspicious pattern of payments and Mr A's account remained well within his credit limit. Overall, there wasn't anything suspicious about the payments that ought reasonably to have caused Aquacard to intervene, in my view.

A chargeback claim was raised, but it was defended by the merchant. It's important to remember this was a claim against the merchant and I don't think Aquacard was wrong not to pursue that claim further, in circumstances where the merchant was able to show it had provided Mr A with the goods he had paid for. I appreciate Mr A was then tricked into providing the gift card details to the scammer, but that was not the fault of the merchant.

In some circumstances, Section 75 makes the provider of credit liable for a breach of contract or misrepresentation by a merchant. Aquacard is the provider of credit here, but once again, there was no breach of contract or misrepresentation by the merchant because Mr A was supplied with genuine gift cards by a legitimate merchant.

Whilst Mr A appears to have been the victim of a cruel and opportunistic scam, I don't find there were any failings on Aquacard's part that would lead me to uphold this complaint.

My final decision

I don't uphold Mr A's complaint.

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

Greg Barham
Ombudsman