

The complaint

Miss H has complained about the way NewDay Ltd handled a claim for money back in relation to transactions she'd made using her credit card.

What happened

The circumstances of the complaint are well known to the parties, so I'm not going to go over everything again in detail. To summarise, Miss H referred a complaint to the Financial Ombudsman in July 2025 because she was unhappy with how NewDay handled a claim she'd raised in relation to transactions made to an online marketplace that I'll call "B" used by customers to make reservations for lodging and homestays.

To give some background, Miss H made two payments to B towards the end of 2024 (one for around £1,100 and one for around £800) for a holiday accommodation booking. Miss H was unhappy with the booking and raised a claim with NewDay.

NewDay said it received the dispute in January 2025 and asked for further information to support the claim. Miss H responded to NewDay's request with a video on a file sharing website, along with a description of her dispute. She said the property was unfit and had been misrepresented. She said it posed safety risks and wasn't watertight. She said there was no operable safe and ceiling fan for the duration of the holiday as promised. She said the patio and pool area wasn't clean despite requests and there was mould. Miss H also said she'd been in contact with the hosts of the property the entire trip trying to resolve things. She said at one point although she was offered a refund if she could relocate, she was unable to because of localised flooding. She said other properties in the condo were unaffected. She thought the listing was misleading and that B had offered an unsatisfactory resolution. She said she attached images of conversations with B but couldn't show the conversation text.

NewDay raised a chargeback for Miss H. I understand it credited Miss H's account while the dispute was underway. NewDay said as part of its declaration Miss H needed to provide evidence to support the claim. The disclaimer also set out it could reverse any credits applied. NewDay said B responded to the chargeback setting out the service had been utilised. NewDay said it wrote to Miss H in February to let her know. It also said it didn't think B had breached the terms and conditions of the booking. It didn't uphold the claim.

One of our investigators looked into things but didn't make any recommendations. Miss H didn't agree. In summary she said there was no record of any communication in February 2025, and that NewDay didn't consider her evidence properly. Miss H said a Subject Access Request (SAR) response said NewDay couldn't locate key complaint letters. Overall, she didn't think NewDay handled the chargeback fairly. She said NewDay's actions, combined with the poor holiday had caused distress at an already difficult period for her.

As things weren't resolved, the complaint has been passed to me to decide.

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 want to acknowledge I've summarised the events of the complaint. I don't intend any discourtesy by this – it just reflects the informal nature of our service. I'm required to decide matters quickly and with minimum formality. But I want to assure Miss H and NewDay that I've reviewed everything on file. And if I don't comment on something, it's not because I haven't considered it. It's because I've concentrated on what I think are the key issues. Our powers allow me to do this.

I also want to say I'm very sorry to hear that Miss H was unhappy with the holiday, and that she's been through a difficult time. I can't imagine how she must feel, but I thank her for taking the time to complain.

What I need to consider is whether NewDay – as a provider of financial services – has acted fairly and reasonably in the way it handled Miss H's request for getting money back. It's important to note NewDay isn't the supplier. I've gone on to think about the specific card protections that are available. In situations like this, NewDay can consider assessing a claim under section 75 of the Consumer Credit Act 1974 or raising a chargeback.

The chargeback process provides a way for a card issuer to ask for a payment to be refunded in certain circumstances. It's subject to rules made by the relevant card scheme and is not a guaranteed way of getting money back.

While it's good practice for a card issuer to attempt to chargeback where certain conditions are met and there's some prospect of success, there are grounds or dispute conditions set by the relevant card scheme that need to be considered. If these are not met, a chargeback is unlikely to succeed. And something going wrong with a merchant won't always lead to a successful claim. NewDay considered and raised a chargeback under defective services for Miss H based on her submission. It asked for evidence to support her claim. I think this was fair of it.

The chargeback was defended by B. So I've thought about whether NewDay should've decided to take it further.

B said its services were rendered by booking and holding the reservation for Miss H, in line with its terms. It said the booking wasn't refundable as Miss H used the service. It also said Miss H didn't communicate with B initially, she spoke to the host. And it said it encouraged customers to reach out to it by phone or email to resolve issues. Miss H showed us when she did speak to B it offered a refund of \$444, which I think was in USD.

The relevant chargeback conditions said that for the chargeback to be valid the customer needs to have claimed amongst other things, they tried to contact the merchant to resolve the dispute, the merchant refused to adjust the price or issue a credit, and that there was evidence the services didn't conform to their description.

Based on the evidence Miss H had submitted, and that we've subsequently seen, I don't think NewDay were unfair not to pursue the chargeback further. I appreciate Miss H had sent NewDay a video file of what she was unhappy about with a description of what went wrong, along with screenshots showing she'd exchanged several emails with B. I think NewDay should've taken into account the video evidence. But I also think it's likely a successful claim would've required more information relating to attempts to resolve things with the merchant, supporting evidence of the relevant terms Miss H thought had not been met, or of

misdescriptions for example. I think there was evidential challenges and NewDay would've had to take into account the host's and B's offers. I think there would've been valid concerns that Miss H said a refund had been offered when she spoke to the host, and that B had made an offer as well.

I'm also conscious that a full refund would've been very unlikely to have been agreed given Miss H used the service, albeit I take her point she said she had no choice. On balance, I think it's likely the card scheme would've wanted to see more supporting evidence of defective services or would have thought the offers made led to a valid defence.

The thrust of Miss H's complaint is about NewDay's chargeback handling, so this is what I've focussed on. But I've also thought about NewDay's liability under section 75. Section 75 is a statutory protection that enables Miss H to make a like claim against NewDay for breach of contract or misrepresentation by a supplier paid by credit card in respect of an agreement it had with her for the provision of goods or services. But there are certain conditions that need to be met for section 75 to apply. I think the value of the transaction falls within the financial limits. There also needs to be a debtor-creditor-supplier (DCS) agreement in place. Having multiple parties involved such as the host and other guests can impact the arrangement.

However, even if the DCS agreement is in place, for similar reasons to what I've said above, I think NewDay would've wanted to be more certain there was a breach of contract or misrepresentation. B does have certain terms for when there are issues with the reservation. There are time limits for when claims need to be made. B ultimately carried out its service by booking the property for Miss H. And I don't think NewDay was provided sufficient evidence of where it misrepresented something or breached its contract with her. I think it would've had to have regard that Miss H used the service, was offered cancellation by the host, and later a price reduction by B. The evidence NewDay had to rely on was limited. So I don't think section 75 would've led to a better outcome for her.

Finally, I know Miss H is unhappy with the way NewDay handled the claim overall. I think the disclaimer did set out that NewDay could reverse the credit if the claim was validly defended. So I think NewDay had grounds to do that. I need to focus primarily on the events that happened up to the point NewDay issued its final response letter because the events preceding this relate to what it's had the chance to consider. I know Miss H is unhappy that some documents weren't available in the subsequent SAR she received, but the content of the SAR isn't something I can consider as part of this complaint.

Miss H is unhappy she says NewDay didn't notify her of the outcome of her claim before re-debiting the funds. NewDay said it let her know in February, which is what might be referred to in the SAR notes. I can understand why Miss H would've been unhappy if she didn't receive that contact. But it's not clear it's had a significant impact given NewDay went on to issue its final response on the complaint within a few weeks setting out its position, and that I don't think the further evidence Miss H has sent our service indicated she'd have received a better outcome, even had she provided more at the time.

Overall, I don't think NewDay were unfair in ultimately not providing Miss H a full refund as she requested. I don't think there were grounds for it to do that through chargeback or section 75. I think it would've wanted to see more to support a successful claim. That's not to say I don't understand why she's unhappy or that the trip went perfectly. I sympathise she wasn't happy with the trip, and I know it cost a significant sum. I can also understand why Miss H feels the claim should've been handled better by NewDay. I agree there were some things that could've gone better. But I think it tried to help by raising the claim and dealt with it and Miss H's follow up within a reasonable amount of time. While I know it'll disappoint Miss H, I'm not going to direct NewDay to take any action.

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 Miss H to accept or reject my decision before 4 March 2026.

Simon Wingfield
Ombudsman