

The complaint

Miss R complains that NewDay Ltd placed a block on her account.

What happened

Miss R holds a credit card account with NewDay.

In May 2024 NewDay placed a block on Miss R's account. This prevented her from making a payment towards the building of her new conservatory.

Miss R complained to NewDay.

NewDay didn't uphold the complaint. In its final response letter, it said the block had been correctly applied.

Miss R remained unhappy and brought her complaint to this service. NewDay consented to this service looking at the complaint out of time.

Our investigator didn't uphold the complaint. They said that NewDay had acted in line with the terms and conditions of the account and had applied the block for security reasons to safeguard the account.

Miss R didn't agree. She said that NewDay should review its policies and procedures and contact customers before a block was applied.

Because Miss R didn't agree I've been asked to review the 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.

I know it will disappoint Miss R, but I agree with the investigator's opinion. I'll explain why.

I've reviewed the information provided by both parties. I can see from the information provided by NewDay that Miss R's card was blocked when it had mail returned which hadn't been delivered to Miss R. The block was applied as a security measure to protect Miss R against the risk of fraud.

NewDay – like all lenders – have an obligation to protect customers from potential fraud. All banks are obliged to have systems in place to detect potential fraud. These systems will trigger if anything happens which is suspicious or unusual.

In Miss R's case, the returned mail was treated as being suspicious or unusual. I don't think it was unreasonable for NewDay to apply a block in these circumstances to protect Miss R's account whilst further enquiries were made.

The terms and conditions of Miss R's account state that NewDay can cancel or suspend the

use of the card or refuse to authorise a transaction if they have reasonable grounds to suspect fraudulent or unauthorised use of the card, or where there are other security concerns. Miss R agreed to these terms and conditions when she took out the card.

Based on what I've seen, the block was applied in line with the terms and conditions of the account. I'm unable to say that NewDay has made an error.

I appreciate that Miss R believes that NewDay should have contacted her to let her know about the block. She's said that NewDay should change its processes and procedures in this respect.

I understand that this has been a frustrating experience for Miss R and I'm sorry to hear that the building of her conservatory was impacted by the block on her card. However, this service doesn't have the remit to ask a bank or lender to change its processes or procedures. We can only look at whether the processes have been applied correctly. In this case, I'm satisfied that NewDay acted in line with the terms and conditions and followed its processes correctly.

For the reasons I've explained above, I'm unable to uphold the complaint.

My final decision

My final decision is that I don't uphold the complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss R to accept or reject my decision before 30 December 2025.

Emma Davy
Ombudsman