

## **The complaint**

Mr G has complained NewDay Ltd is holding him liable for a credit agreement application.

## **What happened**

The parties are familiar with the background details of this complaint – so, I'll only briefly summarise them here. It reflects my role of resolving disputes quickly with minimum formality.

In February 2022, NewDay received an application for a new phone which appeared to have been submitted by Mr G. To help fund the purchase, NewDay agreed to lend Mr G some money by means of a credit agreement. Due to missed payments, NewDay sold the debt to a debt collection agent (DCA) in November 2022. Following contact from the DCA, Mr G contacted NewDay, in May 2025, saying he'd been the victim of identity fraud and hadn't ordered the goods nor applied for the linked credit agreement. NewDay responded by saying they were satisfied the applications had been made by Mr G and weren't fraudulent. So, NewDay continued to hold Mr G liable for the debt. Unhappy with NewDay's response, Mr G asked the Financial Ombudsman to consider the matter.

Our Investigator upheld the complaint. In summary, they said the evidence provided by Mr G was persuasive in supporting he'd been the victim of identity fraud since 2017 which had resulted in multiple bank accounts and credit agreements being applied for in his name without his knowledge or consent. To put things right the Investigator recommended NewDay disassociate Mr G's name from the account, arrange for the DCA to stop pursuing Mr G for the debt and remove all record of it from Mr G's credit record. The Investigator also thought NewDay should pay £50 to Mr G to account for the delay in them responding to Mr G's complaint.

NewDay didn't accept the Investigator's findings. In summary, they said the order had initially been made on the basis the phone be delivered to Mr G's residential address – which would be unusual as a fraudster would be looking to obtain the device for sale. NewDay also said that while most of the entries on Mr G's credit file showed as 'settled', they'd expect all record of them to have been removed if the involved parties agreed Mr G had been the victim of identity fraud and had used an address where Mr G had never resided. NewDay also highlighted CIFAS loadings registered by several other firms hadn't been removed. As a resolution wasn't reached, the complaint has come 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 can consider this complaint because the Financial Ombudsman can look at complaints regarding debt recovery for the type of credit-related debt that's the subject of this complaint.

I understand why NewDay had concerns about how someone would have managed to obtain so much of Mr G's personal information. I don't believe we'll ever know the answer to

this question. However, it's known there are means for someone to obtain another individual's personal information. This is often due to identity theft, where data is stolen via scams, mail theft, or data breaches – which in turn can lead to that person becoming the victim of identity fraud. On occasion, the fraud may be carried out by a family member, friend or even former flatmate who would likely have had knowledge and/or access to the individual's personal information.

Mr G says someone was also able to get hold of a copy of his driving licence. I think the evidence supports this. I appreciate NewDay has highlighted the evidence doesn't show the address was changed to one Mr G has never lived at. But even if the address wasn't changed, I think it's fair to say it's likely it would still have helped someone impersonate Mr G and apply for credit in his name.

I'm mindful the evidence shows several bank accounts that were opened in Mr G's sole name have been closed by the respective banks because they believed they'd been fraudulently opened – accounts which had passed the mandatory identity and verification checks. It's not for me to decide here whether those banks and other lenders made any errors when approving those accounts and credit.

NewDay has also questioned why the original application was submitted on the basis the phone was to be delivered to Mr G's residential address. I agree this would be unusual for a fraudulent application given the reason for this type of fraud is to obtain the device for sale. However, the delivery address was quickly changed to one Mr G says he's never lived at. The changed address was used to open multiple other accounts – with the majority having now been closed as the banks/lenders agreed they'd been fraudulently opened. We'll never know for sure what led to Mr G's correct address being entered as the delivery address on the original application, but it's possible the fraudster simply made an error.

In addition, NewDay has highlighted Mr G's credit record shows many of the apparent fraudulent accounts as settled – which they think is odd as if fraudulently opened, they'd have expected them to be removed. Mr G has provided copies of the letters he's received from several banks and other lenders which show they agreed to close the respective accounts because they agreed Mr G hadn't consented to them being opened. Mr G may wish to contact those firms and ask them to remove all record of those accounts from his credit record and any fraud loadings made in relation to them. If he's unhappy with the responses, it's something the Financial Ombudsman would likely be able to consider.

With regards to this complaint, I think the testimony provided by Mr G is consistent and plausible and is supported by the provided evidence. On balance, I'm persuaded it's more likely than not that Mr G didn't apply to NewDay in 2022 for the phone and linked credit agreement. Overall, I'm satisfied Mr G didn't consent to those applications and didn't have any knowledge of them until he was contacted by the DCA.

### **Putting things right**

To put things right, I direct NewDay to:

- Disassociate Mr G's name and details from the credit agreement and debt.
- Arrange for all record of the credit agreement and debt to be removed from Mr G's credit record.
- Arrange for any adverse CIFAS and/or any other fraud loadings in relation to the credit agreement to be removed from the relevant fraud prevention databases.

- If not done already, contact the DCA and inform them that they should immediately cease all debt collection activity in relation to the credit agreement. If possible, NewDay should re-acquire the debt.
- Pay Mr G a distress and inconvenience payment of £50.
- Once the above actions have been completed, NewDay should confirm this in writing to Mr G.

### **My final decision**

My final decision is that I uphold this complaint and direct NewDay Ltd to resolve it in the way I've set out above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr G to accept or reject my decision before 14 May 2026.

Carl Bibby  
**Ombudsman**