

THE COMPLAINT

The estate of the late Mr Y (“the Estate”) has raised a complaint about NewDay Ltd (“NewDay”).

WHAT HAPPENED

The circumstances of this complaint are well known to all parties concerned, so I will not repeat them again here in detail. However, I will provide an overview.

In 2021, the late Mr Y passed away. Shortly afterwards, a fraudster took out a NewDay credit card in the late Mr Y’s name. The fact that the late Mr Y had died, and the circumstances of his passing, were not discovered until several years after his death.

The Estate complained to NewDay about the fraudulent opening of the credit card account. Unhappy with NewDay’s response, the Estate referred the matter to this Service.

NewDay says it has marked the account in question as fraudulent and requested its return from Cabot. NewDay explains that once the account is returned, it will write off the balance in full and amend the late Mr Y’s credit file accordingly. In addition, NewDay has offered £100 as an apology for the distress and inconvenience caused.

One of our investigators considered the complaint and did not uphold it.

As the Estate did not accept the investigator’s findings, this matter has now been passed to me to make a decision.

WHAT I HAVE 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, I find that the investigator at first instance was right to reach the conclusion she did. This is for reasons I set out in this decision.

I would like to say at the outset that I have summarised this complaint in far less detail than the parties involved. I want to stress that no discourtesy is intended by this. If there is a submission I have not addressed, it is not because I have ignored the point. It is simply because my findings focus on what I consider to be the central issues in this complaint.

Further, under section 225 of the Financial Services and Markets Act 2000, I am required to resolve complaints quickly and with minimum formality.

Key findings

- A fraudster used the late Mr Y’s details to fraudulently open a NewDay credit card account in his name.

- The Estate argues that NewDay is responsible for allowing the fraudulent account to be open. It may be that NewDay should have detected the fraud at the point of application. Alternatively, it may be that there was nothing at the time to alert NewDay to any irregularity, and that the application therefore appeared legitimate.
- In any event, NewDay has taken the steps I would expect had I concluded the credit card account was opened fraudulently.
- I acknowledge the Estate's arguments about this Service's approach to awards for distress and inconvenience regarding estates. However, this Service does not make such awards to the estate of a deceased complainant. It may sometimes be appropriate to compensate a deceased complainant for distress or inconvenience they have experienced while alive. However, the events complained about in this matter took place after the late Mr Y had passed away.

I extend my sympathies to the Estate, particularly in light of the sad circumstances surrounding this complaint. But, when taking all the above points into account, I will not be directing NewDay to do anything further.

If the Estate wishes to accept NewDay's offer of £100, it should inform NewDay.

In my judgment, this is a fair and reasonable outcome in the circumstances of this complaint.

MY FINAL DECISION

For the reasons set out above, my final decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask the estate of Mr Y to accept or reject my decision before 28 April 2026.

Tony Massiah
Ombudsman