

The complaint and what happened

Mrs F is unhappy that NewDay Ltd won't reimburse her funds she says were lost when she fell victim to investment scam.

The background to this complaint is well-known to both parties, so I won't repeat it in detail here. But in summary and based on the submissions of both parties, I understand it to be as follows.

- In February 2025, Mrs F came across a social media advert for a merchant I'll refer to as BI which were purporting to offer investment services. Mrs F says the advert was endorsed by a well-known public figure and she found reviews on BI's website were largely positive.
- Mrs F registered her interest with BI and was contacted by one of its agents. She was persuaded to invest a small sum initially. Mrs F said she was befriended by the agent before she was convinced to invest more. She was told that less than half of her investment balance would ever be exposed and that the agent only ever got paid on profits earned. Between the period of 7 February 2025 and 18 July 2025, Mrs F made a series of payments towards the investment with her total losses around £21,000. Mrs F also made payments towards BI from other accounts.
- Mrs F began to enquire about withdrawing her funds, before she was led to believe by BI that her profits had been largely wiped out. She was told that she'd need to deposit more funds in order to rectify her account. But BI continued to ask her to deposit more funds, whilst she continued questioning them about some of the trade activity that was taking place.
- She made contact with her professional representative seeking advice as she began to have concerns about BI. She was advised to cease contact with them and not to deposit and further funds, which she did.
- A claim and complaint was filed with NewDay who initially advised it could not progress matters unless Mrs F contacted them directly.
- Through her professional representative, Mrs F contacted this service. The evidence presented was put to NewDay. It advised that as they spoke with Mrs F during one of the disputed transactions and she confirmed the payment was genuine, they hold Mrs F liable.
- Our investigator upheld the complaint. She wasn't satisfied NewDay did enough in response to the risk it identified. If it had, they thought Mrs F's further losses could have been prevented. But they were also satisfied that Mrs F ought to bear some liability for the loss too.

Mrs F accepted out investigator's findings, however NewDay maintained it continues to reject this claim. As an agreement couldn't be reached, the case has since 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.

Having done so, I'm upholding this complaint and for largely the same reasons as set out by our investigator.

- It's not in dispute that Mrs F fell victim to a scam. I'm satisfied the evidence she's submitted supports this – namely emails showing she was dealing with BI, which the FCA have issued a warning about for operating without the required authorisation. Certainly, the behaviours of BI as Mrs F has reported are indicative of a scam.
- It's also not in dispute that Mrs F authorised the disputed transactions. So the starting position is that she's liable for the resulting loss. But there are some situations where we believe firms like NewDay—taking into account relevant rules, codes and best practice—ought to have identified a fraud risk, so should have looked at the wider circumstances surrounding the transaction before making a payment.
- I'm not satisfied NewDay ought to have had any concerns about the first disputed transaction given its values. However, NewDay *did* identify the second payment as suspicious with a block placed on Mrs F account requiring her to contact the fraud team in order for that restriction to be lifted. The call was short lasting around 2 minutes. Having listened to the call, the NewDay agent asks Mrs F to confirm whether she is *"100% certain that this is a genuine merchant"* and *"have you used it before?"*. I'm not persuaded it did enough. Typical features of such scams are often tricking consumers into making payment believing the firm they are investing with are genuine. So asking Mrs F whether she was certain they were a genuine merchant wasn't enough for NewDay to satisfy itself all was well. I think it should have looked into the circumstances further.
- If NewDay had asked Mrs F relevant questions, I think she would have explained she was acting on the instructions of BI – which had an active FCA warning published against them. And from what Mrs F has told us, there were other signs I'd reasonably have expected NewDay to realise could indicate a scam. Such as that she found it via a social media advert, that BI controlled the trading and the level of profit she believed was possible. Had NewDay taken appropriate action to ask relevant questions of Mrs F and to ensure she had carried out sufficient due diligence of BI and provided her with a warning that this sounded like a scam, I'm persuaded her losses would've been limited to the initial payment made. It ought to have recognised that Mrs F was likely going to suffer financial harm from fraud. So I'm persuaded it's fair and reasonable to hold NewDay liable for this.
- I've also considered whether Mrs F ought to bear some responsibility for what happened. Following our investigators findings which were sent to both parties, Mrs F accepted the outcome reached, so I don't seek to repeat this here. As no objections were raised to those recommendations by Mrs F nor her representative, I see no reason to depart from them. For completeness however, I agree for the same reasons set out by our investigator that liability ought to be shared equally.

Putting things right

For the reasons given above, my final decision is that I uphold this complaint. I require NewDay Ltd trading as Debenhams to:

- Refund 50% of the disputed transactions from the second payment of £2,777.11 onwards (including foreign exchange and cash transaction fees);
- Use that to rework Mrs F's credit card account, reimbursing any interest and charges levied directly to the corresponding amounts; and
- Pay simple interest at 8% per year for any period where the account was in credit because of the above steps, calculated from then until the date of settlement (less any tax properly deductible).

My final decision

For the reasons given above, my final decision is that I partially uphold this complaint. I require NewDay Ltd trading as Debenhams to put things right as also set out above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs F to accept or reject my decision before 15 April 2026.

Mark O'Connor
Ombudsman