

The complaint

Mr G complains that NewDay Ltd (trading as Debenhams Mastercard) took several months to locate a payment he'd made, and his credit record has been adversely affected.

What happened

Mr G says he made a payment towards his credit card in July 2024 which NewDay took several months to locate. He says the £30 credit he's received in compensation is totally inadequate, his credit file's been adversely affected, and the stress has impacted his health.

NewDay acknowledges that Mr G made a payment on 31 July 2024, but that there was a delay in crediting it to his account which affected his credit file. It says Mr G's credit card statement dated 14 July 2024 requested a minimum payment of £334.57 by 8 August 2024, but that Mr G's £470 payment was not credited to his account until 6 November 2024 despite several attempts to identify it earlier. However, on 19 October 2024 a default notice was sent to Mr G advising that his account was now 60 days in arrears and a payment of £681.08 was required by 9 November 2024 to prevent further action. When this required payment was not received, NewDay says it terminated Mr G's account and transferred it to a third-party debt collection agency (DCA) on 19 December 2024. NewDay says no further payments were received from Mr G, so his account was defaulted and sold to another DCA on 30 April 2025.

NewDay has now requested that the late payment markers should be removed from Mr G's credit file from August 2024 to November 2024 and has credited his account with £30.

Our investigator recommended the complaint should be upheld. She found that it was reasonable for NewDay to have removed the late payment markers but that the remaining adverse information was an accurate reflection of his account. However, she considered that £150 was a more reasonable level of compensation.

NewDay agreed to pay Mr G the additional £120.

Mr G responded to say, in summary, that he had consistently paid more than the minimum repayments, but had limited confidence that further payments would be correctly applied. He said NewDay started the default process whilst it knew a payment was missing, and that he is now unable to access credit for vital property repairs and to repay the remaining debt.

Provisional decision

I issued a provisional decision to Mr G and to NewDay on 23 February 2026. I summarise my findings below:

- The missing payment was due on 8 August 2024 but was not applied to his account until 6 November 2024;
- NewDay sent Mr G a default notice on 19 October 2024, after he did not make the subsequent required payments;
- Mr G's account was terminated and moved to a DCA on 13 December 2024, and then defaulted on 30 April 2025, when no further payments were received;
- I was satisfied that Mr G's credit record was an accurate reflection of his account after NewDay removed the late payment markers for August to November 2024;
- I didn't consider it unreasonable that Mr G's account should show as having defaulted as he had made no payments for around 18 months;
- I explained that it would be detrimental for the default to be removed from April 2025, as, due to his current financial circumstances, Mr G would be unlikely to be able to maintain the required contractual repayments. This would result in the default being reapplied at a later date, which would, therefore, be on Mr G's credit file for longer.
- I considered NewDay had acted unfairly by continuing to apply fees to Mr G's account – it charged four £12 fees between August and November 2024.

My provisional decision was that NewDay should refund the unfair fees (£48) in addition to paying Mr G the additional £120 for its poor customer service.

NewDay responded to accept my provisional decision, but Mr G did not respond.

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.

As neither party has provided any additional information, and NewDay has accepted my provisional decision, I see no reason to depart from it.

My final decision

My decision is that I uphold this complaint in part. NewDay Ltd (trading as Debenhams Mastercard) should pay Mr G an additional £168 for the reasons outlined above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr G to accept or reject my decision before 7 April 2026.

Amanda Williams

Ombudsman