

## **The complaint**

Mr J complains that a recurring payment from his NewDay Ltd account was blocked.

## **What happened**

Mr J holds a John Lewis credit card account with NewDay. His payment for his home insurance policy was declined. He complained to NewDay.

NewDay didn't uphold the complaint. In its final response dated 20 October 2025 it said a security block had been placed on the account on 19 September 2025 because mail sent to Mr J's registered address had been returned as "gone away". NewDay explained that the block prevented certain account activities including recurring payments for security reasons and confirmed that the declined insurance payment was directly related to the block.

Mr J advised NewDay that he hadn't gone away or changed address. The block was removed following verification checks on 20 October 2025. Mr J's home insurance premium was successfully paid on 21 October 2025.

Mr J remained unhappy and brought his complaint to this service. He said he hadn't seen any proof that a letter had been returned and said he wanted to see this so he could complain to Royal Mail.

Our investigator didn't uphold the complaint. They said that NewDay hadn't made an error and hadn't acted unfairly or unreasonably by applying its policy to block the account to protect the account holder and prevent unauthorised use of the card.

Mr J didn't agree so 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 Mr J but I agree with the investigator's opinion. I'll explain why.

I've read and considered the whole file, but I'll concentrate my comments on those points which are most relevant to my decision. If I don't comment on a particular point, it's not because I've failed to take it on board and think about it, but because I don't think I need to comment on it in order to reach what I think is the right outcome.

I've looked at what happened to determine whether NewDay made an error or treated Mr J unfairly or unreasonably.

NewDay has provided evidence to show that a letter it sent to Mr J at his registered address was returned undelivered.

I've checked the address held by NewDay and it's the same address as Mr J has given to this service. So I'm satisfied that NewDay didn't make an error with the address,

I'm unable to say why the letter was returned undelivered. It isn't possible to say – based on the information provided – whether the letter reached its intended destination and was returned by someone at that address, or whether it was delivered to the wrong address by the postal service. But whatever the reason why the letter was returned, this isn't something I can hold NewDay responsible for, because it sent a correctly addressed letter. If Mr J has more general concerns that he isn't receiving letters, then he should take this up with the Royal Mail service.

Once NewDay became aware that the letter it sent to Mr J had been returned, it placed a block on his account. NewDay has explained that this is its policy when post is returned. The policy is designed to protect the account holder from the risk of fraud.

This service can't require a business to change its policies and procedures. But we can look at whether the policy has been applied fairly. Mr J has said that NewDay should've contacted him to advise him of the issue and the block. NewDay has explained that it wouldn't send communications to an address from which mail has been returned as this would be a potential security breach. It has said that at the time the block was applied, it wasn't aware of whether Mr J continued to reside at that address or not, and there was always the possibility that Mr J had moved and a third party had returned the mail.

I don't think it was unreasonable for NewDay not to send further correspondence to an address which hadn't been verified.

Mr J has said that NewDay should've made efforts to contact him in other ways such as text or phone. He's made the point that NewDay have communicated with him by text previously. NewDay hasn't commented on this so I'm unable to say why it didn't send a text. It may be that the subject matter of the (returned) letter wasn't suitable for discussion by the alternative methods which Mr J has suggested.

Based on what I've seen I'm satisfied that NewDay followed its policy correctly. The policy applies to all customers in the same way, and I haven't seen anything to suggest that Mr J was treated any differently to other customers.

I appreciate that this has been a frustrating experience for Mr J. He's said that he was unaware of the block and only discovered the issue when his payment for his home insurance failed. I understand that Mr J was worried about his insurance policy lapsing. I've thought about whether NewDay should've done more to communicate with Mr J prior to applying the block. However, NewDay's policy is to apply the block and wait for the customer to make contact, at which point (following verification) the block is removed. As I've already explained, this service can't require a business to change or disapply its policy.

For the reasons I've explained, 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 Mr J to accept or reject my decision before 12 May 2026.

Emma Davy  
**Ombudsman**