

complaint

Ms P complains that NewDay Ltd made mistakes in the administration of payments to her loan account causing her upset and inconvenience, and provided poor customer service

background

In October 2014 NewDay failed to collect Ms P's monthly direct debit payment of nearly £60. When Ms P asked why, she was told there was an internal systems error. She made the payment manually and NewDay said the matter would be resolved the following month. But NewDay failed to collect two more payments. It apologised and credited Ms P's account with £40 as a goodwill gesture. And in February 2015 NewDay credited three payments as a further gesture of goodwill for poor service. NewDay assured Ms P that her direct debit collection would resume normally in April.

NewDay collected a payment by direct debit from Ms P's account in April, but it was £130 - over twice the amount due. And it sent Ms P default letters and phoned her. Ms P says this was very upsetting – especially as she thought the matter had been sorted out. And she is recovering from a serious illness and living on a budget, so having money taken from her account unexpectedly was particularly distressing and inconvenient. She considers NewDay should pay more compensation.

NewDay accepts it made mistakes and provided poor service. And it has apologised - but considers it has paid enough compensation for what happened.

Our adjudicator recommends the complaint should be upheld. She acknowledges NewDay paid Ms P £217 for what happened between October 2014 and February 2015. But she considers that's not enough compensation for all Ms P went through, so it should pay her a further £150.

NewDay disagrees. It says £217 is sufficient compensation.

my findings

I have considered all the available evidence and arguments to decide what is fair and reasonable in the circumstances of this complaint. I have reached the same conclusions as our adjudicator for much the same reasons.

I am sorry to hear of Ms P's health problems. I have no doubt that she was worried when NewDay didn't collect her direct debit payments for three months. And I consider she acted responsibly by contacting NewDay about that and making manual payments to ensure her credit file wasn't adversely affected. And I can see she was very relieved when NewDay said the problems were resolved in February 2015 - and she thought a very stressful and worrying time had come to an end.

So I understand that Ms P was most upset when NewDay began to chase her for payments in March and then took over twice the amount due in April 2015. Ms P says she is on a tight budget and that overpayment made her worried - and affected the way she managed her bank account to make sure the knock on effect didn't have adverse consequences.

I consider Ms P was put to more trouble because she had to contact her own bank to arrange to get the money back - and ring NewDay a number of times to sort out future

payments. And I can see she was so concerned that she contacted a free source of advice to ask what could be done to resolve the matter finally and stop NewDay from chasing her unnecessarily.

I consider NewDay could have done more to resolve this complaint sooner. It provided Ms P (and our adjudicator) with confusing information on more than one occasion. And I'm satisfied that increased Ms P's concerns about the administration of her account - and made her worried that the balance itself might not be correct.

So, having considered everything that happened, I think it's fair that NewDay should pay Ms P more compensation for the additional upset and inconvenience she experienced as a result of its mistakes and poor service after February 2015. And I agree with our adjudicator that £150 is reasonable in the circumstances.

my final decision

My decision is that I uphold this complaint. In full and final settlement, I order NewDay Ltd to pay Ms P £150.

Under the rules of the Financial Ombudsman Service, I am required to ask Ms P to accept or reject my decision before 10 August 2015.

Claire Jackson
ombudsman