

## **complaint**

Mrs A complains that NewDay Ltd. refused to increase her credit limit due to an error in their records.

## **background**

Mrs A said she'd asked NewDay to increase her credit limit several times but was refused and given a variety of generic reasons. It later became clear that this was due to an error by them in the details they held for her. She said that even after they'd amended their details they still didn't agree to her request for an increase. She wanted a copy of her details to check they were correct and for NewDay to apologise and pay her compensation for all the time and effort.

NewDay said that due to the format in which it held Mrs A's address it had received limited information from credit reference agencies. This was because the credit agencies held her house name and road on the same line rather than in the normal format of separate lines. It adjusted the address and was then able to approve the request for an increase in the credit limit. It didn't think it had made any mistake but it apologised and paid £35 as a gesture of goodwill it also credited £50 for the cost of copy credit reports and phone calls.

The adjudicator said he could see that during 2015 NewDay was writing to Mrs A with the house and road name on the same line. It was only later in 2016 that the letters change to show the address on separate lines. In that letter NewDay says it has made a small adjustment to her address so it seemed likely that this was the change that was made. He didn't think NewDay had originally recorded Mrs A's address in the correct format. Although it said it'd keyed the address in good faith he thought it would've been reasonable for them to have recorded the address in the normal format with house name and road name on separate lines. He didn't think the payment of £85 fully reflected the upset and inconvenience caused by their mistake. He suggested an additional payment of £200.

NewDay had increased her limit to the maximum it said it could at the present. It said she could reapply for another increase in another two months. He thought this was reasonable.

NewDay didn't agree. It said it'd used the address as set out in the original credit agreement. It wouldn't typically review address details in such detail. It also said credit increases were discretionary and not a right under its terms and conditions. The adjudicator said that while he accepted the increase was discretionary, NewDay had been relying on incorrect information to exercise its discretion because of the mistake in its records.

## **my findings**

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint. I agree with the adjudicator with much the same reasons.

I've seen copy letters sent by NewDay to Mrs A during 2015 and early 2016. These show Mrs A's house name and road name on the same line which isn't the normally accepted business format. It's only in later letters sent in 2016 that the address is corrected to match the format NewDay said was held by credit reference agencies. The first such letter where the change is shown is one where NewDay says it has made this change. So contrary to

what NewDay said I think it was NewDay that held the address in the non standard format which didn't match that held by the credit agencies.

NewDay says the original incorrect format was picked up from the original credit agreement. But I don't think that is right. I have seen a copy of that agreement and this shows the house name and number on separate lines as is the normal business format.

I think NewDay made an error in recording Mrs A's address details and was then unable to get credit reference information about her. Once this information was updated it agreed to her request for an increase in her credit limit. It seems likely that had it had the correct information sooner it would've approved her request sooner. While Mrs A is disappointed that she needs to wait another two months before requesting any further increase I think this is reasonable.

I think NewDay made an error in recording Mrs A's address. I think that Mrs A has suffered distress and inconvenience in making repeated requests for a credit increase and chasing them. I think that in all the circumstances a further payment of £200 in addition to the £85 already paid would be fair and reasonable in all the circumstances.

### **my final decision**

I uphold this complaint. I direct that by way of apology NewDay Ltd. should pay Mrs A a further £200.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs A to accept or reject my decision before 26 September 2016.

Colette Bewley  
**ombudsman**