

complaint

Mrs C complains that NewDay Ltd blocked her credit card account.

background

Mrs C says she tried to pay for flights with her NewDay credit card but the transaction was declined. She says she spoke to NewDay about what had happened and was told a block had been applied some four months earlier. Mrs C says by the time she paid for the flights the price had increased by over £800. She also says she missed out on NewDay promotional points as a result of not being able to use the credit card.

NewDay doesn't accept making a mistake and says it placed a fraud block on the account that allowed some transactions. But it says the attempted flight purchase triggered further account blocks that couldn't be lifted and that is why it issued a new card. NewDay accepts it didn't deal with parts of the complaint as it should and has offered £70 compensation.

Mrs C brought her complaint to us and our investigator upheld the complaint but thought NewDays' compensation offer fair and reasonable. The investigator didn't think NewDay was responsible for the flight price changes or that Mrs C didn't receive promotional spending points.

Mrs C doesn't accept that view and maintains that as a result of what took place she spent significantly more on the flights. And says if NewDay had told her there were restrictions on the account card then she could have done something about that before the attempted transaction.

my findings

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've come to a similar overall view as the investigator. I realise Mrs C will be disappointed at my decision.

I accept fraud is a major problem for businesses and I am sure Mrs C appreciates that fraud measures are important in preventing such fraud. I think a business has a responsibility to ensure it takes such steps to protect its customer's money and accounts. I accept that in certain circumstances legitimate transactions are subject to fraud measures. And I also appreciate that customers in such circumstances are caused inconvenience. But we are not the regulator of banks and building societies and it's not our role to tell such businesses what its fraud policies are or how it exercises its commercial judgement on such matters.

So I don't think NewDay made a mistake or acted unfairly by blocking Mrs C's account where it had such security concerns. I would not expect it to have told either Mrs C or us what those concerns were as I think such matters are commercially sensitive. But I appreciate Mrs C's concerns that these security measures were applied some months before and that she hadn't been told about them. For the reasons I have explained I can't fairly tell NewDay what its policies and measures should be and so it follows that I can't fairly conclude it made a mistake by not telling Mrs C about them.

As I don't think NewDay has made a mistake about the main part of Mrs C's complaint then I can't fairly order it to pay for the flight price difference. I also can't order NewDay to add

promotional points to her account as the flights were not booked using Mrs C's NewDay account.

There is no question that NewDay didn't deal with parts of Mrs C's complaint as it should. And I have listened to the calls between the parties and I'm satisfied that Mrs C spent some time trying to find out what was happening. But I think NewDay's offer of £70 is fair and reasonable for that part of the complaint.

Overall I accept Mrs C will have unanswered questions about NewDays's decision to allow some account transactions but not others. I also accept Mrs C will remain unhappy with my decision and so I will leave it to her to decide if she wishes to accept the compensation offer.

my final decision

My final decision is that I uphold this complaint in part but find that NewDay Ltd has made a fair and reasonable compensation offer of £70. Mrs C's acceptance of that offer would be in full and final settlement of this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs C to accept or reject my decision before 11 April 2020.

David Singh
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