

complaint

Mr W complains that NewDay Ltd incorrectly applied charges to his account and provided him with poor service when dealing with his complaint.

background

In November 2014, Mr W says that he tried to make an online payment for the full balance on his account but the payment system crashed. So he then made the payment again. He says he noticed on his next statement that the payment had been taken twice with one payment being refunded. He says that a returned payment fee of £12 and interest of £3.52 had been added.

Mr W says he sent NewDay an email and received a letter requesting that he call. He says that when he called the person he spoke to was rude and cut him off when he asked to speak to a manager. Mr W called back and after speaking to a manager he was told that £25 would be credited to his account to cover the £12 charge and interest plus an amount for the inconvenience this issue had caused. Mr W accepted this.

Mr W then tried to use his card and it was declined. When he checked his account he saw a late payment charge had been applied. He rang NewDay and says that he was dealt with in a rude way. He says he was told that even though his account was in credit, because the previous statement had a debit amount (which he says was due to the incorrect fees), he should have made a payment. Mr W says he raised a complaint and did not get a response but did receive a £15 credit. Mr W says he chased NewDay for a final response and was sent a copy of a letter dated 7 January 2015 which he had not previously received.

The business accepted that it made mistakes and provided an explanation of why Mr W was charged a late payment fee in December 2014. It says that it paid Mr W £25 in November 2014 and sent him a letter in January 2015 saying that it would waive the £12 late payment fee and credit his account with £15 as a gesture of goodwill. Because of this it says it has put Mr W back in the position he would have been in had the mistakes not been made.

The adjudicator accepted that the business had covered the costs of the fees charged and made a payment for the inconvenience Mr W had suffered. However, she said that the compensation was not enough given the poor service Mr W had received. She recommended that NewDay pay Mr W a further £50 compensation.

The business did not accept that it should pay any more compensation to Mr W.

Mr W said that NewDay were still suggesting he was at fault for not making a payment which he does not accept and that the compensation paid is not enough to cover the inconvenience and upset caused by the poor service he received.

my findings

I have considered all the available evidence and arguments to decide what is fair and reasonable in the circumstances of this complaint. My role is not to punish the business but where a mistake has been made to make sure that the customer is put back in the same position he would have been in had the mistake not been made and, where appropriate, to award compensation.

Mr W was charged a returned payment fee and interest in November 2014 following a problem with the processing of his payment. Mr W contacted NewDay by email and received a response asking him to call. I do not find this unreasonable.

Mr W's account was credited with £25 in November 2014, to cover the returned payment fee, interest and as a gesture of goodwill because of the inconvenience caused. Mr W accepted this at the time and I find this did put Mr W back in the position he would have been had the problem with his payment not happened.

Mr W then had a late payment fee applied to his account. I understand why Mr W was annoyed at this given the only outstanding amounts were the incorrectly applied fees. I understand NewDay's explanation for this. But while I understand how this issue arose, I find that NewDay did not provide Mr W with good service when he called to discuss this. This was accepted by NewDay in its letter dated 7 January 2015 where it said the £12 late payment fee would be waived and a further £15 credited to Mr W's account for the inconvenience this issue had caused.

Because the fees have been refunded and NewDay has confirmed that Mr W's credit file has not been adversely affected by these issues, I find that Mr W has been put back in the position he would have been had the issues not occurred.

The outstanding issue is whether the compensation paid is enough. Mr W has received poor service. He says the NewDay employees he has spoken to have been rude and spoken over him. He has also experienced a delay in resolving the issues as his concerns about the late payment fee charged in December 2014 were not addressed when he called. This poor service has caused Mr W to raise a complaint.

I understand that Mr W had to chase NewDay for a final response letter because he did not receive this. However, based on the evidence provided by NewDay I accept that this was sent in January 2015.

Overall, I find that NewDay has caused Mr W inconvenience through this process, including his card being declined, and because of this I find that compensation is required. I accept that payments have been made. But given the complaints Mr W has raised about the service he has received while dealing with the issues on his account, I find that a further £50 compensation is fair and reasonable.

my final decision

My final decision is that NewDay Ltd should pay Mr W a further £50 compensation in settlement of this complaint.

Under the rules of the Financial Ombudsman Service, I am required to ask Mr W to accept or reject my decision before 22 June 2015.

Jane Archer
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