

complaint

Mr Q complains about the time taken by NewDay Ltd to deal with a refund to his card account and that he was given incorrect information about this.

background

Mr Q was due a refund of £1,251.45 for an item he had previously purchased with his card. He contacted NewDay about this. It accepts that it gave him incorrect information and made errors. It paid him £100 in compensation.

The investigator recommended it pay a total of £200. She said that:

- Mr Q had asked that his account be closed with NewDay on 14 May 2018 - a process it had told her could take eight weeks to complete.
- When he first called on 1 June 2018 about the refund no further transactions were possible on his account.
- The retailer had made the refund on 8 June 2018 and this could not be applied and was posted to a suspense account. The staff members Mr Q subsequently spoke to did not have access to this account – only the finance department did.
- Mr Q was given incorrect information on seven occasions about the refund. For example in the first call he was told it would be credited in five to seven days: not that it would need to be traced.
- He made a number of calls which were noted by NewDay. He was told on 13 June 2018 that any refund would be returned. So he went back to the retailer. NewDay could have instead checked the suspense account. And a separate case note on that day suggested that it thought that's where the money was.
- The retailer contacted NewDay on 15 June 2018 to confirm the refund. This only had the last two digits of his card number and the refund date – no other evidence. The refund was then located and paid to Mr Q by a bank transfer sent on 19 June 2018.
- Mr Q had received poor customer service, been told incorrect information and had gone back to visit the retailer – which was especially difficult for him due to his mobility issues. She thought that the compensation should be increased.

NewDay did not agree. It did not think that the complexity of the process had been understood. It said it could only start to locate the refund after the retailer had provided proof.

my findings

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint.

This service does not have a role in saying what processes a financial business should operate. However, as NewDay accepts errors were made and its process did not run correctly or smoothly for Mr Q. Had he been clearly told in his first call either that a payment would need to be traced or of any evidence he needed to get about the refund things might have been less complex. He ought to have been told that the payment couldn't be applied directly to his account and asked for his bank details so he could receive it.

I'm satisfied that Mr Q felt he had to go back to the retailer to get his money on 13 June 2018. And at that time NewDay was holding it. The exchange of emails I've seen indicates that it was only when the retailer contacted NewDay that it traced the payment. And as the investigator says the information the retailer provided seemed to be what Mr Q had already told it. If NewDay did need that proof it had not been proactive in obtaining it.

I'm looking here at the impact on Mr Q and the inconvenience and distress to him. I take into account his personal circumstances and our published guidelines. Having done so, I don't think that the payment from NewDay of £100 is sufficient. I agree with the investigator's recommendation that a total payment of £200 is warranted.

my final decision

My decision is that I uphold this complaint and require NewDay Ltd to pay Mr Q total compensation of £200 (meaning a further payment now of £100).

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr Q to accept or reject my decision before 11 January 2019.

Michael Crewe
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