

complaint

Mr B complains NewDay Ltd repeatedly failed to apply his payment of £343.70 to his Aquacard credit card.

Aquacard is a trading name of NewDay, but for the purposes of this decision I will only refer to NewDay.

background

Mr B tried to make two payments to his credit card on 2 August 2018, but for some reason only one payment was successful. Mr B called NewDay on 3 August 2018 and made the payment of £343.70 over the phone instead.

Mr B chased NewDay on 13 August 2018 and 16 August 2018 as he could see the payment still hadn't reached his account despite promises that it would do so.

It took NewDay a while to sort out what had gone wrong. And so Mr B's account wasn't credited with the £343.70 until 28 August 2018. The payment was backdated to 3 August 2018 and showed on the September 2018 statement.

On 16 August 2018 NewDay apologised for the delay in applying the payment. They also refunded all interest that had been applied to the account in the August 2018 statement and refunded Mr B's 'overlimit' fee of £12 (plus interest) which had been caused by the delayed payment. In addition, NewDay offered Mr B £65 for the trouble the matter had caused him. Mr B didn't accept this. But it appears NewDay still credited this to Mr B's account as I've seen this on the statement dated 16 September 2018.

It should be noted that while Mr B was trying to resolve this matter with NewDay, a new problem arose with the account.

Mr B's account was hacked and the associated address altered. NewDay investigated this as a separate matter and agreed Mr B's account had been hacked by a third party. Mr B, as he is entitled to, brought this issue as a second complaint to our service which has been considered separately to this one. That complaint also considers Mr B's concerns about the impact on his credit file.

Our investigator didn't uphold Mr B's complaint. They felt that, in the circumstances, NewDay had done enough to put things right for Mr B. However, as Mr B disagreed the complaint has come to me.

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 don't think Mr B's complaint should be upheld as I broadly agree with the investigator's conclusions for the reasons below.

Mr B's overall concerns about his account are closely connected across the two complaints I've described above which he has brought to our service. However, I must be clear that the considerations under this decision relate only to the problems Mr B had in trying to make the payment of £343.70 to his credit card account. So I will not be referring to any of the

complaint points raised by Mr B which relate to how his account was hacked and the consequences of this.

It therefore follows that I've not considered the impact to Mr B's credit file here. This is because at the time NewDay corrected Mr B's account with the payment of £343.70, there were no monies to chase him for as he was yet to receive his next statement due for September 2018. So I'm satisfied any outstanding debt was not brought about by the original problem subject to this complaint.

I've looked at why Mr B's payment of £343.70 didn't reach his account when he expected it to.

Mr B says he was making the payment to ensure he'd cleared the balance to zero. Looking at the statement from August 2018, it's clear to see that in August 2018 Mr B's payments were aimed at clearing the outstanding balance carried over from July 2018. The total carried over from July 2018 was £2,217.71 and Mr B had paid £74.01 and £1,800 towards clearing this. The £343.70 would've completed paying off this sum. But it should be noted that Mr B continued to spend significantly on the credit card on 3 and 14 August 2018, so the balance increased again straight away.

Had Mr B's £343.70 payment been made successfully the outstanding balance at the time of the August 2018 statement would have been within the credit limit of £4,050 – instead the new balance was £4,070.42.

It's not been possible to understand exactly why Mr B was unable to make the second payment of £343.70 on 2 August 2018 when the other was successful. However, he reasonably called NewDay the following day to remedy things. NewDay's investigation found that the individual Mr B spoke with on 3 August 2018 had used the wrong processing system to allocate the payment to Mr B's account. Mr B should be aware that no one benefited from this sum as it appears the amount of £343.70 was placed in a 'suspense' account – an account NewDay (like other credit providers) will use to hold funds where it's not clear where they belong. So from what I've seen, this does appear to have been human error.

NewDay reviewed the matter and apologised to Mr B for the delay in the payment reaching his account. It seems, from understanding NewDay's internal processes, they located and remedied the problem with the payment within their permitted timeframe. And while perhaps this could have been done sooner given – as Mr B says – he was told on more than one occasion it would be done the following day, I think NewDay's steps to put things right was fair in the circumstances. They backdated the payment, removed interest and the fee which was applied, as well as credited Mr B's account with £65 as compensation to reflect the trouble caused.

my final decision

For the reasons above I agree there was a delay in Mr B's payment of £343.70 reaching his account, but I think what NewDay Ltd has done to put things right is fair in the circumstances. My final decision is therefore that I do not uphold Mr B's complaint about NewDay Ltd.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr B to accept or reject my decision before 17 April 2021.

Kristina Mathews

ombudsman