

complaint

Mrs T complains that NewDay Cards Ltd trading as Laura Ashley Mastercard ("Laura Ashley") transferred a balance of £950 twice to her previous credit card company. As a result, she's incurred costs and has suffered distress and inconvenience.

background

Mrs T transferred a balance of £950 (plus a transfer balance fee) from a credit card company ("company A") to a Laura Ashley credit card because it was offering 0% interest on balance transfers for 12 months. But Laura Ashley duplicated the sum of £950 by mistake. So it paid company A two amounts of £950, instead of one. Mrs T spent the extra £950 on her company A account because she thought the money came from her mother.

The Laura Ashley account was closed when Mrs T transferred the balance back to company A. But Laura Ashley has been chasing her for the sum which was paid in error. She's contacted Laura Ashley several times to try to sort out the matter so she's lost money on the calls, petrol and postage. And the whole matter has caused her distress and inconvenience. Mrs T wants more compensation and for the sum to be transferred to another company of her choice.

Laura Ashley accepted it had credited the wrong amount to Mrs T's card due to a technical issue. And it wanted the money back. It asked Mrs T for £950 to be returned. So it reopened and debited the Laura Ashley account with £950 and applied a 0% interest offer on the balance for 12 months. It also offered to pay her £50 for her costs and inconvenience. The technical issue has now been corrected so this type of mistake shouldn't happen again.

Mrs T complained to us. Our adjudicator thought Laura Ashley was entitled to have the overpayment returned to it because Mrs T had spent the money – so she'd had the benefit of the overpayment. He thought the offer to reinstate the balance on a 0% interest offer and £50 for her inconvenience was a fair way to settle the complaint. Mrs T disagreed with the adjudicator's view and asked for the matter to be looked at again.

She added she would like compensation of £100 and she wants Laura Ashley to pay to transfer the balance to another company of her choice because she's unhappy with Laura Ashley because it could make another mistake.

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 decided that Laura Ashley has suggested a fair way to settle this complaint. And I'll explain why.

Firstly, I do accept that Mrs T wasn't at fault here. She didn't ask Laura Ashley to pay company A twice. So it was clearly an error and I would expect banking errors to be corrected. On discovering its mistake, Laura Ashley explained to Mrs T that the overpayment needed to be returned. Mrs T now accepts this but would like Laura Ashley to pay her £100 compensation and to pay to transfer the balance to a credit company of her choice.

To put things right, Laura Ashley should put Mrs T in the position she would've been in if errors hadn't been made. So, whilst I expect the overpayment to be returned to Laura Ashley, it should be on favourable terms for Mrs T. In this case, Laura Ashley said she wouldn't have to repay it in one sum but could repay it with 0% interest for 12 months – this matches its earlier credit agreement with Mrs T. And I think these are favourable terms. It also tells us it has corrected the technical issue, so this overpayment is unlikely to happen again. So now if Mrs T wants to move the balance to another company, that is her decision and I don't think Laura Ashley should have to pay for it.

Mrs T told us she incurred costs for calls, postage and petrol but she couldn't provide any detailed information on exactly when and how all of those costs were incurred. So, without any further evidence, I think £50 is a fair way to settle the matter.

my final decision

My final decision is that NewDay Cards Ltd has made a fair offer in settlement of this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs T to accept or reject my decision before 16 November 2015.

Amrit Mangra
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