

complaint

Mr S complains that NewDay Limited didn't investigate a payment that had been charged to his credit card account and that it has defaulted the account and sold the debt to a third party.

background

Mr S had a store card account. He changed address in January 2014 and says that he wrote to the card provider to give it his new address – but NewDay says that the letter wasn't received. His post was forwarded for six months and he contacted NewDay in August 2014 about a payment that had been charged to his account but which he says he didn't make or authorise. He says that NewDay said it would investigate the payment and come back to him – but didn't do so. No further payments were made to the account – so a default was registered and the debt was sold to a third party. Mr S became aware of the default earlier this year and paid £213.79 to the third party. He also complained to NewDay. But he wasn't satisfied with its response so complained to this service.

The adjudicator didn't recommend that this complaint should be upheld. She concluded that she couldn't ask NewDay to refund £213.79 to Mr S or to remove the default from his credit file. Although she sympathised with Mr S, she said that NewDay had recorded factual information about his account and that the default had been correctly applied.

Mr S has asked for his complaint to be considered by an ombudsman. He has provided a copy of the letter that he says was sent to the card provider in January 2014 about his change of address.

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 situation has been caused by an unfortunate series of events. And like the adjudicator, I sympathise with Mr S for the inconvenience and frustration that he has been caused. But like the adjudicator, I'm not persuaded that NewDay has acted incorrectly.

Although Mr S has provided a copy of the letter about his change of address that he says was sent to the card provider in January 2014, NewDay has no record of receiving that letter.

Mr S contacted NewDay about a payment that he says that he didn't make or authorise in August 2014. He says that he was told that NewDay would investigate the payment and come back to him. But NewDay's account notes show four entries on the relevant date in August 2014 – the last of which says:

"Customer called about recurring payments. Confirm aren't fraud and advised to call them to discuss the payments."

As those notes are a contemporaneous record of the conversation, I consider it to be more likely than not that they contain a more accurate record of what was said. So I'm not persuaded that Mr S was told that NewDay would investigate the payment and come back to

him. And I've seen no evidence to show that Mr S contacted NewDay when it didn't come back to him about its investigation - or when he didn't receive further account statements.

NewDay continued to send account statements to Mr S (albeit to what was his old address) and it received no payments from Mr S. So it defaulted the account and sold Mr S's debt to a third party. Mr S has since repaid the debt but the default remains on his credit file.

I'm not persuaded that NewDay has acted incorrectly. So I find that it wouldn't be fair or reasonable for me to require it to remove the default from Mr S credit file, to refund the £213.79 to him, or to take any other action in response to his complaint.

my final decision

For these reasons, my decision is that I don't uphold Mr S's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr S to accept or reject my decision before 28 October 2016.

Jarrold Hastings
ombudsman