

### **complaint**

Mrs T complains that NewDay Ltd failed to allocate payments she made to her account. She received calls and letters telling her she was in arrears. NewDay has refunded charges; additional interest, amended her credit file and paid her £85

### **our initial conclusions**

The adjudicator upheld the complaint. She said it was fair and reasonable for NewDay to pay a further £65 compensation for the distress and inconvenience caused. She felt the level of service fell below what is expected and it hadn't provided sufficient information regarding payment changes. NewDay does not think it should pay any more compensation. The problem occurred when account numbers changed after NewDay took over accounts from another provider. It wrote to customers and told them the account numbers were changing. NewDay says it is not its fault that the payments were made incorrectly.

### **my final decision**

To decide what is fair and reasonable in this complaint, I have considered everything that Mrs T and the business have provided. I agree with the adjudicator. NewDay did not provide sufficient information regarding payment changes. The information sheet from NewDay about the change did not explain that she would need to change the details she used to make payments. The level of service also fell below what is expected. Mrs T was distressed to receive letters and calls saying her account was in arrears when she had made payments. NewDay told her that her monies had been returned to her bank when only one payment had been returned. It also took NewDay four months to locate her payments. I note that NewDay has amended her credit file and paid £85 for distress and inconvenience. I agree with the adjudicator that a further £65 is fair and reasonable in this case.

**My final decision is that I uphold this complaint and order NewDay Ltd to pay Mrs T £65.**

**Under the rules of the Financial Ombudsman Service, I am required to ask Mrs T either to accept or reject my decision before 19 June 2015.**

*Clare Hockney*

*ombudsman at the Financial Ombudsman Service*

The ombudsman may complete this section where appropriate – adding comments or further explanations of particular relevance to the case.

#### **ombudsman notes**

#### **what is a final decision?**

- A final decision by an ombudsman is our last word on a complaint. We send the final decision at the same time to both sides – the consumer and the financial business.
- Our complaints process involves various stages. It gives both parties to the complaint the opportunity to tell us their side of the story, provide further information, and disagree with our earlier findings – before the ombudsman reviews the case and makes a final decision.
- A final decision is the end of our complaints process. This means the ombudsman will not be able to deal with any further correspondence about the merits of the complaint.

#### **what happens next?**

- A final decision only becomes legally binding on the financial business if the consumer accepts it. To do this, the consumer should sign and date the acceptance card we send with the final decision – and return it to us before the date set out in the decision.
- If the consumer accepts a final decision before the date set out in the decision we will tell the financial business – it will then have to comply promptly with any instructions set out by the ombudsman in the decision.
- If the consumer does not accept a final decision before the date set out in the decision, neither side will be legally bound by it.