

complaint

Ms O complains about the NewDay Ltd's customer service after it became responsible for her store card.

background

Ms O complains that NewDay didn't tell her that it had taken over the running of her store card. She says it didn't contact her about the outstanding debt on her card before it sold it on to a third party.

NewDay says that Ms O was kept informed about the status of her account before it became responsible for it in April 2014. The business that used to be responsible for the card wrote to her in March 2013 to say that her account was in arrears and being dealt with by collections. But our adjudicator said that NewDay hasn't been able to prove that it wrote to Ms O to say that it was taking over the debt. He was persuaded that Ms O didn't receive this notice, and that she was genuinely distressed to find out that her debt was owned by a third party. So he suggested it pay her £100 for its customer service.

NewDay disagreed with the adjudicator. It didn't pay her £100. But it appears it has sent her a cheque for £20 for what happened.

my findings

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint. And I think that Ms O's complaint should be upheld.

Like the adjudicator I find no evidence to show that NewDay contacted Ms O after it took over her account. So it's not clear that she understood who was responsible for it, and who she could speak to about her circumstances. It appears that Ms O was in financial difficulties at the time. If it had contacted her she might've realised that her account was going to be closed, before she wasn't able to use it in store. And she would've had an opportunity to talk to NewDay about her account. If this had happened, it would've been in a better position to understand her circumstances, and treat her positively and sympathetically.

I'm satisfied that Ms O has been very upset by NewDay's handling of her account. She feels that it didn't help her at all.

In the circumstances, I think that NewDay should pay Ms O £100 for its customer service, and the upset it has caused.

my final decision

My final decision is that NewDay should pay Ms O a further £100 for its customer service, and the upset it has caused her.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms O to accept or reject my decision before 8 June 2015.

Laura Forster
ombudsman