

## **complaint**

Mr I has complained NewDay Limited, trading as Aqua, is holding him liable for a credit card and the spending on it. He didn't apply for this card in 2015.

## **background**

After being rejected for a loan, Mr I checked his credit record. He noticed a default on his record for a credit card with Aqua. As he'd never taken out this card, he complained to NewDay.

He could see this card had been taken out in May 2015 and was linked to an address he moved out of around that time. There'd then been £2,970 worth of spend which was no longer being repaid and had been defaulted. NewDay didn't think there'd been anything wrong with their account opening procedures so didn't agree the debt wasn't his.

Mr I brought his complaint to the ombudsman service. Our investigator was able to verify Mr I no longer lived at the address where the account was opened. He had changed his address with his bank from the time he said he'd moved out to his current address. From the account-opening detail provided by NewDay he could see it wasn't Mr I's email address ever used either. In fact the email address more than likely belonged to someone related to Mr I's previous landlord. The address for the credit card had been changed in 2016 to an address Mr I had no link with.

Our investigator told NewDay the evidence showed Mr I had never applied for this card so they had to stop pursuing him for a debt that wasn't his, and amend his credit record to show he'd never taken out this card. He also asked NewDay to pay Mr I £200 compensation.

NewDay accepted this outcome. After consideration Mr I felt he should be paid more compensation. He'd first raised this theft of his identity to NewDay in early 2017, he'd been refused loans and a default was registered incorrectly on his credit record.

He's asked an ombudsman to consider his complaint.

## **my findings**

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint. I've written to both NewDay and Mr I to confirm I've reached a different conclusion about what compensation should be paid. I'll explain my thinking.

Firstly I should confirm that I agree with the outcome our investigator reached on whether Mr I applied for the credit card. All the application data suggests this wasn't taken out by Mr I. In fact it looks as if someone who'd known Mr I had used his name and some details to take out a credit card. Initial payments had been made towards the debt but then they failed to keep up with this. A debt accrued which was then defaulted. I'm satisfied Mr I didn't apply for this credit card nor used it for the spending that took place.

Incorrect late payment markers have been showing on Mr I's credit record since August 2016. The default was put onto his record in February 2017.

It was around this time that Mr I tried to get a loan and was unsuccessful. He raised his concerns about this credit card with NewDay straightaway. I can't see they ever fully investigated what had happened.

In August 2017 and August 2018 Mr I did take out loans. But there's no doubt from the evidence I've seen, Mr I paid a much higher level of interest than he'd have been able to do if he'd not had a default on his record. I don't think there's any dispute that this was caused by the default that had been placed incorrectly.

I was surprised NewDay said it was waiting to amend Mr I's credit record until they'd received an ombudsman's final decision. They'd admitted this information had been incorrectly put on his record so I'd have thought – for data protection reasons alone – they'd be trying to get this sorted as quickly as possible. I've since suggested they do this but received no response from them.

I've thought about this carefully. I've told both Mr I and NewDay that I would be increasing the compensation to £1,000 in total. That's £750 for the errors and impact on his credit record resulting in Mr I having to pay more for his loans. I've also said £250 should be paid for NewDay not dealing with his fraud-related complaint properly.

Neither party responded to me. Having considered everything I'm satisfied £1,000 compensation is fair and reasonable in the circumstances of this complaint.

### **my final decision**

For the reasons I've given, my final decision is to instruct NewDay Limited to:

- Stop pursuing Mr I for this credit card debt when he didn't apply for or use the card;
- Remove any data about this credit card from Mr I's credit record; and
- Pay Mr I £1,000 for the impact caused.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr I to accept or reject my decision before 11 March 2020.

Sandra Quinn  
**ombudsman**