

## **complaint**

Mr M complains that he didn't receive the correct promotional gift card when he took out a credit card with NewDay Ltd.

## **background**

On 3 May 2019 Mr M applied for a credit card through an advert on a retailer's website. It said that he'd receive a £30 gift card to spend with that retailer if his application was accepted.

His application was accepted. But when he went to pay for his goods on the retailer's website only a £10 gift card was applied at the checkout. Mr M has told us he was looking to spend under £30 and anticipated that he'd receive his goods and be left with a credit on the gift card. But instead feels he was induced to borrow money at an APR of 21.9% by making his purchase on the credit card, which he hadn't set out to do.

Mr M initially complained to the retailer, who directed him to take the matter up with NewDay. NewDay said that it'd checked the website, but could only see an offer to receive a £10 gift card. It asked Mr M to send it proof of the advert for a £30 gift card so that it could look into this further for him.

In the interim the retailer admitted it had made a mistake. And on 24 May 2019 it credited Mr M with a £20 gift card.

Mr M sent NewDay a copy of the promotion he'd seen. And NewDay sent him a further letter upholding his complaint and credited his credit card account with £10 as an apology. It said the £30 gift card offer had been sent to him by the retailer direct which is why it hadn't initially been aware of it. And that it was sorry for the inconvenience caused.

Mr M argues that he had a debt of £20.69 to pay on this credit card. And he wants NewDay to write this off and pay him £25 compensation for the trouble and inconvenience he's experienced.

Our investigator noted the retailer had taken steps to put things right. And felt it was clear from Mr M's testimony that he'd been aware of the balance he'd have to pay before he purchased his goods. So she thought NewDay's gesture was fair.

Mr M didn't agree, so the case has been passed to me to review.

## **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 appreciate this was a very frustrating experience for Mr M. He applied for this credit card on the basis that he'd receive a £30 gift card which he wanted to use to purchase some goods. Instead he only received a £10 gift card and used his credit card to pay the remainder of the cost.

NewDay has admitted something went wrong here. What I've been asked to decide is whether it's done enough to put things right for Mr M.

The retailer has given Mr M a £20 gift card to make up for the fact he initially received one for £10 rather than £30. And NewDay has credited Mr M's credit card account with £10 compensation for what happened.

Mr M has asked NewDay to reimburse him the £20.69 he spent on his purchases. He feels the promotional offer he saw induced him to spend this money and incur a debt on his credit card.

I understand why he's disappointed that he had to spend this money to complete his purchases - which appear to have been made over two separate transactions. But like our investigator I think it would have been clear when he did that the amount due wasn't covered by the gift card. And that there was a balance to pay. If he wasn't comfortable making this payment, Mr M could have chosen not to go ahead with these purchases at this time. So I'm afraid I don't agree that he was left with no option but to incur a debt a result of NewDay's actions.

Furthermore I can see that the £20.69 he spent on his credit card was paid off by a combination of payments from himself and the credit he was given by NewDay. And that he didn't incur any interest on this amount. So I haven't seen anything to suggest this incident caused him any further financial loss.

I can also see from his credit card statements that Mr M has made further purchases with the same retailer since this incident. So I don't think that he's ultimately lost out by receiving the missing gift card credit as a further gift card. And I'm satisfied that he's already been restored to the financial position he would have been in had the mistake not been made. So I don't think it would be reasonable to ask NewDay to also reimburse him the money he spent.

I don't doubt this incident has caused Mr M inconvenience. And I can see he feels very strongly about what happened. But NewDay has apologised and recognised this with its compensatory payment of £10. And overall, considering the impact of what's happened, I think this is fair and reasonable in the circumstances.

### **my final decision**

My final decision is that I don't require NewDay Ltd to do anything further to resolve this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr M to accept or reject my decision before 29 December 2019.

Jenette Lynch  
**ombudsman**