

Complaint

Mrs J complains NewDay Ltd (trading as Debenhams Gold Store Card) upgraded her store card to a credit card which had different terms and conditions, without her agreement.

Background

In March 2018, NewDay wrote to Mrs J asking her if she wanted to upgrade her existing store card with them to a credit card instead. In April 2018, NewDay said Mrs J requested the upgrade using their automated system and in mid-May a new card was issued to her. A couple of days later, Mrs J used the new card to make a purchase.

In October 2018, Mrs J tried to use her original card to make a purchase, but the transaction was declined. So, she contacted NewDay to ask what was wrong. NewDay said that Mrs J had chosen to upgrade to the credit card a couple of months earlier, so her store card would no longer work. Mrs J said she didn't remember upgrading her account, so she raised a complaint.

NewDay didn't uphold the complaint. They said they'd sent a letter to Mrs J to say she was eligible for an upgrade, and to accept the upgrade she would've needed to opt in for it by calling a dedicated telephone number. They also said that they wouldn't be able to return her account to a store card as they were phasing them out. And if Mrs J wanted to close her account, she would need to clear off the outstanding balance on her card in full.

Mrs J didn't agree. She said she'd never agreed to the upgrade and wanted her account to be returned to a store card. So, she asked this service to look in-to her complaint.

Our investigator didn't recommend the complaint be upheld. He said he'd seen evidence from NewDay of the upgrade letter which had been sent to Mrs J. And system records showing Mrs J's account was upgraded using an automated telephone system in April 2018. He also said he'd seen evidence of Mrs J statements from June 2018 onwards which showed her account was now a credit card. So, he thought she ought reasonably to have been aware her account had been upgraded.

Mrs J didn't agree. She said that she wasn't aware her account had been upgraded until she'd tried to use her store card and it was declined – which caused her embarrassment. She also said she wouldn't have upgraded her account as she wouldn't want the option of using the card anywhere except the retailer, and this had put her under unnecessary stress. So, she asked for an ombudsman to look in-to her 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. Having done so, I've decided not to uphold it for broadly the same reasons as the investigator.

Mrs J told us she's unhappy her store card was upgraded to a credit card without her agreement and that she had declined the upgrade numerous times before. But I'm not persuaded that's the case. I've seen a copy of the upgrade letter NewDay which was sent to Mrs J. It explains that to take advantage of the upgrade she needed to call a dedicated number before the end of April. I've also seen that once the number had been dialled, you then needed to enter the relevant account or card number, then enter the correct date of

birth, and then finally either say or enter the account or card number again. So, I think it's unlikely anyone else would've had access to Mrs J's details which needed to be inputted as part of the upgrade request or upgraded the account on her behalf – particularly before the deadline expired. And I also think it's unlikely that the upgrade happened accidentally given the number of steps required for the change to take place.

I acknowledge Mrs J said she didn't know her account had been upgraded until six months after it had taken place, when her card was declined in-store which caused her embarrassment. However, I've seen copies of Mrs J's statements, which notes under the account information "How Interest is Calculated on your Mastercard" and "For all enquiries relating to your Credit Card account please call customer services". I've also seen that her monthly statements from this date clearly show the credit card logo at the top of each one, and this is also shown on the ad-hoc promotions Mrs J received. So, I don't agree that NewDay didn't make it clear Mrs J's account had been upgraded.

However, I recognise Mrs J may not have identified her account had changed based on these changes alone, but I've seen that she makes her monthly payment by Direct Debit. The terms and conditions of the upgrade say Mrs J would have received a Direct Debit cancellation letter for her existing store card, and a separate Direct Debit set-up letter for the new credit card. I understand there's a discrepancy with the date NewDay said Mrs J received her upgraded card, and I don't agree Mrs J received or used the new card in May 2018. But I think regardless of the date the upgrade took place, when Mrs J received these letter's she ought to reasonably have been aware that something had changed on her account and she needed to contact NewDay to see what it was. So, I'm satisfied Mrs J received enough information from NewDay to make her aware that her account had been changed.

Mrs J has told us that she doesn't intend to make payments to her account. However, I need to make Mrs J aware that if she doesn't make the required payments it's likely to have an adverse effect on her credit file. Mrs J has also said that this situation is causing her additional stress, if she has concerns about her account, she can speak to NewDay who can provide her with further assistance.

I recognise this has been a frustrating time for Mrs J, and I'd like to reassure her that I've carefully read all the information she's provided. I understand why Mrs J feels strongly about what happened and I realise this won't be the outcome she was hoping for, but I don't think NewDay have treated her unfairly. So, I won't be asking them to do anything more.

My final decision

My final decision is that I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs J to accept or reject my decision before 13 January 2020.

Jenny Lomax
ombudsman