

complaint

Mr K complains that NewDay Cards Limited is requiring him to repay the outstanding debt on a Debenhams credit card. He says he did not apply for or use the card and is not liable for the debt.

Mr K is represented in his complaint by his daughter, Ms D.

background

An online application was made for a Debenhams credit card in Mr K's name in July 2014. Mr K did not receive the card or any statements/correspondence on the card account until November 2014. He suspects that his son, who has left the house, made the application and used the card.

NewDay considers Mr K liable for the debt because the Police have not issued a crime reference number to show that it has been reported to them, and nor has Mr K reported it to Action Fraud. Mr K says that the Police declined to accept a report of the fraud because they were dealing with his son on other matters.

Our adjudicator recommended that the complaint should be upheld. She concluded, in summary, that it was not reasonable for NewDay to hold Mr K responsible for the debt. She explained that the reporting of an alleged fraud to the Police was not a pre-condition for us to consider or uphold a complaint of this type.

NewDay did not accept the adjudicator's view. It said, in summary, that it would not accept that the card had been obtained fraudulently because Mr K would not take matters further with the Police.

my findings

I have considered all the available evidence and arguments to decide what is fair and reasonable in the circumstances of this complaint.

I find Mr K's evidence persuasive. I am satisfied that he did not apply for the card or use it to create the outstanding debt. It is for the Police to decide whether they wish to accept a crime report and, as the adjudicator has already explained, we do not consider this a necessary pre-condition for us to decide such a complaint.

Because of my finding, NewDay cannot fairly require Mr K to repay the outstanding debt on the credit card account. It is also inappropriate for it to record the account on Mr K's credit file.

NewDay has said it has a business policy that it will not deal with a complaint or claim of identity fraud involving suspicion of a family member unless the complainant has reported the incident to the Police. I find NewDay's application of this policy in this case likely to have caused unnecessary inconvenience and distress to Mr K. In the circumstances, Mr K would already have been upset at the thought a family member was involved. So in addition to the above, I require NewDay to pay Mr K £150 compensation.

my final decision

For the reasons given above, my final decision is that I uphold this complaint. In full and final settlement I order NewDay Cards Limited:

1. not to hold Mr K responsible for the outstanding debt;
2. remove any related negative credit information from Mr K's credit file; and
3. pay Mr K £150 compensation for the trouble and upset he was caused by NewDay's handling of matters.

Under the rules of the Financial Ombudsman Service, I am required to ask Mr K to accept or reject my decision before 29 July 2015.

Malcolm Rogers
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