

## **complaint**

Mrs C complains about the length of time NewDay Cards Ltd has taken to credit a payment to her account. She's also unhappy with the service it provided in relation to this.

## **background**

On 21 February, Mrs C went into her bank and instructed it to make a payment towards her store card with NewDay. She did this by bank giro credit – she handed over the cash amount and giro slip to her bank.

NewDay didn't think it had received this payment, and so initially treated it as a missed payment. Mrs C provided a copy of her giro slip to NewDay on 14 March which showed she'd made the payment. Unfortunately NewDay still couldn't locate the payment but credited her account on 10 April.

NewDay has removed the late payment charge and interest it had applied in relation to this. It's confirmed there'll be no adverse information on Mrs C's credit file in relation to this and offered her £50 compensation.

To get this matter resolved, Mrs C had to make several trips and telephone calls, going back and forth between NewDay and her bank. She also visited the shop her store card is linked to in an effort progress matters. She feels let down by NewDay and is unhappy with how it dealt with her. In particular she feels its staff were rude and patronising during calls.

The investigator recommended that NewDay pay Mrs C £150 – so a further £100. NewDay agreed to this but Mrs C didn't think it was enough. So the matter was passed to me to decide.

After considering some further information, I let both parties know that I thought £250 compensation would be a fairer amount. NewDay asked for a final decision on the matter but didn't provide further reasoning.

## **my findings**

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint.

NewDay has accepted that Mrs C's payment was received by its bank, and that whatever went wrong happened between this point and allocating the funds to Mrs C's account.

My understanding is that NewDay has put right all relevant financial loss, such as interest and charges, and updated its records. So Mrs C's account is back in the position it would've been in had the payment credited her account correctly. This means the only outstanding issue is the level of compensation that's fair in the circumstances.

We now have the benefit of hindsight, but going off what NewDay knew at the time, I don't think it was unreasonable for it to initially seek further information from Mrs C in order to try and establish what had happened.

I think it would've been reasonable for NewDay to accept Mrs C had made the payment once it received a copy of her stamped giro slip in mid-March. The majority of the

inconvenience was after this point when NewDay's handling of the matter exacerbated situation for Mrs C.

During this time, NewDay provided poor customer service (ancillary to crediting her account); such as not calling as promised, giving her the wrong information and asking her to make unnecessary trips to her bank. Overall I think it placed too much of the responsibility onto Mrs C to resolve the issue.

Mrs C has provided details of several calls with NewDay, around seven trips her bank (which she says is a 30 mile round trip), and a couple of visits to the store linked to her account. Her description of events is consistent with the available evidence, so I have no reason to doubt what she says.

I don't think it was reasonable for NewDay to continue asking Mrs C to visit her bank – it had already received evidence of the payment and spoken to someone from her bank, so had received all the information it needed at that point. NewDay also asked Mrs C to go to her bank on two separate occasions specifically to request a BACS trace, when it should've known this wasn't possible for a giro payment. Mrs C seems to have spent a few hours at her bank in total.

I recognise that not all her trips were directly requested by NewDay (such as the trips to the store linked to her account), but I don't think they were unreasonable for her to make. It's clear from her calls that she was stressed about the situation and doing all she could to help put it right. And the context was that NewDay hadn't assured her that she wouldn't lose this money and was asking her to make additional payments to the account. She's described how disruptive these trips were to her working life and that she had to use her lunch breaks a lot even though she's diabetic.

I understand Mrs C feels that NewDay staff were rude and patronising. Having listened to the calls NewDay could provide, I think the manner of the NewDay staff was acceptable. Though I agree the staff could've been more helpful. I can understand that the calls would've been frustrating when Mrs C needed to repeat herself to different members of staff and some calls were disconnected part way through.

Taking into account the above, I still think £250 compensation would be a fair amount of compensation in the circumstances. My understanding is that NewDay has already credited £50 to Mrs C's account but that she doesn't want to have to spend this in store. So I think NewDay should remove this amount from her card account and pay her £250 directly.

### **my final decision**

My decision is that NewDay Cards Ltd should pay Mrs C £250 compensation – and can recover the £50 already paid to her store card account.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs C to accept or reject my decision before 18 August 2017.

Stephanie Mitchell  
**ombudsman**