

complaint

Mrs M, represented by Mr C, complained about the processes NewDay Ltd used when a customer's account was locked out.

background

In February 2016, Mrs M couldn't access her online account. She got a message saying "*password error.*" She rang NewDay and was told her account was locked out. This was because NewDay had received returned post. Mrs M complained, but this was logged as dissatisfaction instead of a complaint. Mrs M didn't get a manager's call back as she'd expected.

Mrs M was very unhappy about this and complained again. She asked for £500 compensation, plus a refund of all fees and charges since NewDay received the returned mail in early January.

Mrs M said the failure to log her complaint was to manipulate customer satisfaction figures. She believed NewDay's systems should be changed so customers who were locked out knew they had to contact NewDay during opening hours. Mrs M also said she wouldn't make any payments to her account until the complaint was resolved.

NewDay wouldn't agree to £500 compensation, but paid Mrs M £110. It pointed out that Mrs M's account had been over its credit limit since November 2015, so the locked account wasn't what had caused Mrs M to go over the limit. And it said Mrs M could have paid her account in other ways, so the locked account didn't stop her making her payments in other ways. But to try to bring the complaint to a close, NewDay refunded around £100 in over limit and late payment fees since January, as well as the £110 compensation.

Mrs M wasn't satisfied and complained to this service.

The adjudicator didn't uphold Mrs M's complaint. She considered the compensation which NewDay had given was fair and reasonable for the distress and inconvenience caused. Mrs M's representative had told the adjudicator they wanted NewDay fined and punished. But the adjudicator explained that the role of this service isn't to punish businesses but to decide what's fair in the circumstances.

Mrs M wasn't satisfied. She still wasn't happy with what she'd received from NewDay, but said she'd accept £200 instead of £500. She also wanted NewDay's systems changed.

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 accepted it didn't log Mrs M's unhappiness as a complaint straightaway in February, and it apologised for the inconvenience. But it did backdate the complaint to February, and replied within eight weeks of the backdated February date. That's in line with the timescales for replying to complaints.

I consider NewDay was generous when it refunded all the late payment and over limit fees on Mrs M's account, from January to March. Mrs M found out about the block on her online

access in early February, and it was removed as soon as she rang up. I can't see that this stopped her from making payments on time for three months. As NewDay pointed out, she'd have received her monthly account statements too.

In addition to the refund of around £100 in fees, NewDay paid Mrs M £110 compensation. I consider this is more than fair. This service won't decide a business should pay compensation if the degree of inconvenience or distress appears to be slight. All of us suffer some inconvenience in our day-to-day lives and in our dealings with commercial organisations. The fact a consumer's had to make a complaint isn't likely in itself to justify compensation for distress or inconvenience. Here, Mrs M couldn't log on when she wanted to, and her unhappiness wasn't initially recorded as a complaint. But I don't consider this would reasonably have caused her significant distress or inconvenience.

Mrs M also wanted NewDay to change its processes. She wanted locked out customers to know that they are locked out and need to ring up NewDay during opening hours. She said this should be done by adding a banner to the lockout page instead of stating password error. I consider this is up to NewDay's commercial judgment, with which this service doesn't interfere.

So I don't require NewDay to do more than it already has done.

my final decision

My final decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs M to accept or reject my decision before 14 July 2016.

Belinda Knight
ombudsman