

## **complaint**

Mrs W's son complains on her behalf, that NewDay Ltd didn't allocate a payment to her store card account properly.

## **background**

Mrs W made a payment into her store card account on 2 November 2016. NewDay didn't allocate the payment to her account and wrote to her several times. Even though she contacted it to explain she'd made the payment, it eventually closed her account and passed it on to its debt recovery department.

Our investigator contacted NewDay on 22 February 2017 but as it didn't respond by 21 April he issued his view about Mrs W's complaint. He'd seen Mrs W's receipt for her payment and he thought it was clear, unambiguous and straightforward. She contacted NewDay and her local store to alert it to the problem but it still started its debt collection process. Because this was causing her a great deal of stress she asked her son to help her. In those circumstances our investigator recommended her complaint should be upheld. He thought NewDay should credit Mrs W's account with the relevant payment, remove all charges and fees, remove all adverse information from her credit record and pay her £400 for the distress and trouble it's caused her.

NewDay agreed with all his suggestions except for the amount of the compensation which it initially said should be £75 and then increased its offer to £150. It said there wasn't any evidence that it'd received Mrs W's payment and so this was a goodwill offer which it wasn't prepared to increase any more.

## **my findings**

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint. In doing so I've come to the same conclusion as the adjudicator for much the same reasons.

NewDay says there isn't any evidence that it has received the payment, but I'm satisfied Mrs W has provided it with clear evidence she made that payment in the normal way. She is an elderly lady who has had this card account for 20 years and has always paid her account in full. She made her November 2017 payment on time and has a receipt as evidence.

When she realised the payment hadn't been allocated properly to her account she contacted NewDay. And she spoke to a manager at her local store who contacted NewDay on her behalf. In light of those circumstances I would've expected NewDay to put on hold its debt recovery process until it had investigated the problem. Instead of that it subjected Mrs W to needless worry and stress. And it closed her account so she no longer has the benefit of her store card which she has held for 20 years. I think this has all had a considerable impact on her.

NewDay has now credited Mrs W's account with the missing payment, and all interest and charges and it's reversed the £5.00 Mrs W paid in January 2017. It has made arrangements for any adverse information to be removed from her credit record. It was right to do this. But I agree with the adjudicator that in light of the impact this situation has had on Mrs W, NewDay should pay her £400 compensation for the distress and trouble it's caused her.

**my final decision**

My decision is that I uphold this complaint. In full and final settlement I require NewDay Ltd to pay Mrs W £400 as compensation for the distress and trouble it's caused her.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs W to accept or reject my decision before 19 June 2017.

Linda Freestone  
**ombudsman**