

complaint

Mr T complains that NewDay Ltd failed to find a missing refund he was due, and handled his complaint about this poorly. He wants NewDay to pay him £100 for this.

background

Mr T was due a refund onto a credit card he held with NewDay. When it didn't appear on his account he asked NewDay to look for it. Despite contacting NewDay several times the refund didn't appear, and NewDay said it couldn't be traced. Mr T says the members of staff he spoke to weren't interested in helping him find his money.

Mr T complained, and NewDay sent him a response about two different refunds – so the letter didn't answer his complaint. Unhappy, Mr T brought his complaint to us. When we contacted NewDay it managed to find the refund and explained it had been sent to a holding account because Mr T's credit card account was closed when the money was received. It offered to send him the refund and pay £75 compensation for the lack of progress.

Our investigator thought that was reasonable.

Mr T doesn't think the compensation is high enough so I've been asked to decide this complaint. He also recently told us he'd not had the promised refund.

my findings

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

Mr T says NewDay never responded to his complaint. And, having read the response NewDay sent, I agree with him – although the letter mentions two refunds Mr T did get, neither was the one Mr T had asked about.

That letter was, as Mr T says, sent nearly nine weeks after he made his complaint. He says it should have responded within eight weeks. I agree with that – but as I said above, I don't think NewDay actually responded to his complaint at all.

However, the eight week trigger simply means that at that point Mr T could bring his complaint to us without having received what's called a "final response letter" from NewDay. He'd already asked us to look at his complaint by then. So although I agree this wasn't good service from NewDay, it didn't delay Mr T bringing his complaint to us.

NewDay seems to have only looked for the missing money (about £210) when we contacted it. And it then found the money relatively easily. It doesn't seem to me there was any reason it couldn't have done that when Mr T initially enquired about his refund. That's a mistake on NewDay's part. It acknowledged that and offered to pay Mr T £75 for his time and inconvenience. It also said it would refund the money direct to Mr T's bank account. We asked Mr T twice for his bank details so that could happen, but he hasn't provided them. I'd urge Mr T to provide these – either to us or NewDay so the payment can be made. If Mr T prefers a cheque he can again let either us or NewDay know that.

Mr T doesn't think £75 is enough. He suggests £100 is more reasonable, given the way NewDay dealt with his complaint and the delays it caused. He also wants an apology from NewDay.

I think £75 is fair. When I say that, I've considered two main things:

- Mr T has been deprived of the use of his money for several months. I think a fair way to work out how long is from the date he asked NewDay to find the money (that's 26 April) to the date NewDay said it would provide the refund but needed bank details. I think the latter date should be 3 October as we asked Mr T to respond to us by then. That's just over five months. To compensate Mr T for that, I'd normally ask NewDay to add interest to the refund at 8% simple per annum for this time period. I wouldn't ask NewDay to pay more than this unless Mr T had given us some evidence that he'd been charged more than this. That might be that he'd been unable to clear the £210 from his card and been charged a higher rate of interest. Mr T hasn't said that happened, so I think 8% is fair. The interest comes to about £7.30.
- I've also taken into account the way NewDay handled the complaint. Mistakes do happen, and they cause some inconvenience. And on this occasion NewDay added to the inconvenience. That's what I'd expect any compensation to reflect.

Overall I think £75 reflects Mr T's financial loss plus a fair payment for his time making calls to chase up his complaint and the inconvenience this caused.

Mr T has also asked for an apology from NewDay. I wouldn't normally instruct a business to do this, simply because I don't think such an apology will feel very genuine. That doesn't of course stop NewDay from apologising without such an instruction from me.

my final decision

My decision is that I uphold this complaint, but I do not order NewDay Ltd to pay more compensation than it's offered.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr T to accept or reject my decision before 9 December 2018.

Sue Peters
ombudsman