

complaint

Ms P complains that NewDay Ltd (trading as Aqua) allowed an account to be fraudulently opened in Ms P's name without her knowledge or consent. She wants compensation for the poor way the matter was handled and the upset this has caused.

background

On 27 July 2015, an account was opened in Ms P's name and given a credit limit of £1,200. When opening the fraudulent account, a mobile telephone number was provided.

Ms P first became aware of this fraudulent account when she received a letter telling her the account had exceeded the agreed limit. She notified NewDay that the account was nothing to do with her and must be fraudulent on 17 August 2015. She complained that NewDay had allowed this breach of security to take place. Ms P asked NewDay to explain how the fraud was committed so she can protect herself in the future. NewDay would not give her those details but told her that sometimes a card and pin can be sent to different addresses and these can be used to carry out frauds.

Ms P complains that during her first telephone call with NewDay, the account was discussed in detail with her, despite her not knowing the 'memorable word' or telephone number used by the fraudster. Ms P complains that the security systems at NewDay are very lax and not only did it not require those details from her, the employee she spoke to gave her the telephone number used by the fraudster to open the account. Ms P further complains that she was treated badly by that employee, who told her to 'calm down' as she was over-reacting.

On 18 August she provided a police crime reference number. NewDay sent a final response letter that day, telling Ms P they would deal with the account as a fraud. Although NewDay did not accept it had made a mistake, it offered Ms P £40 as a gesture of good will.

NewDay conducted an investigation and confirmed the account had been opened fraudulently. In September the account was closed and the balance written off. On 24 January 2016, Ms P telephoned NewDay to ask what had happened with the account. NewDay had not written to Ms P to inform her of the outcome of the investigation. It says it is not its policy to do so as the final response letter indicated that so far as she was concerned the matter was closed and was being treated as fraud. However, following her telephone request, on 22 February 2016, NewDay did attempt to telephone Ms P to inform her of the final outcome. Regrettably, it telephoned the mobile telephone number that had been provided by the fraudster, not Ms P's number. NewDay left a voicemail message for Ms P on the fraudster's messaging service. Ms P asked for compensation in the region of £1,000.

the adjudicators view

The adjudicator did not recommend NewDay should make that offer. She said the fraud was not the fault of the business, but the £40 good will gesture was reasonable for the upset Ms P had been caused. She asked the business to put the outcome of the fraud investigation into writing. NewDay has confirmed it will now do that. Ms P did not agree and requests compensation.

my provisional decision

After considering all the evidence, I issued a provisional decision on this complaint to Ms P and NewDay on 9 May 2016. I summarise my findings:

I was not satisfied NewDay made a mistake when it refused to give Ms P details of how the fraud was committed. I considered this to be sensitive information I would not expect a business to share and it was likely in any event that NewDay would not be able to tell Ms P exactly how her details were obtained.

I was also not satisfied NewDay had made a mistake when it discussed the fraudulent transaction with Ms P. Had it required the security measures put in place by the fraudster to be provided, the business would never have been able to discuss the matter with Ms P and could not have dealt with the account as the fraud it is. I was not satisfied the call handler made a mistake when it checked whether or not the telephone number provided by the fraudster was linked to Ms P as this was necessary to find out if the account was opened fraudulently or not.

I was satisfied Ms P's recollection of her telephone call with NewDay was accurate and she was told her pin and card could have been sent to different addresses. This was speculation by the call handler and not what had actually happened. I was also satisfied Ms P was spoken to badly by the call handler and this added to her concerns. I was minded to order NewDay to pay £100 compensation in relation to the errors that were made during that call.

I was satisfied NewDay's policy not to provide a further letter explaining the final conclusion of fraud investigations was a legitimate business decision for the business as it had already confirmed it would treat the account as fraudulent. However, I was satisfied that when NewDay responded to Ms P's requests for further information by mistakenly leaving a telephone message for Ms P on the number provided to commit the fraud, this mistake caused Ms P further anxiety. I was satisfied that whether Ms P's fears that NewDay was not careful with personal details and security were well founded or not, this error increased those fears. I was minded to order NewDay to pay an additional £100 in relation to this further mistake.

Subject to any further representation, I did not consider the £1,000 compensation asked for by Ms P was fair or reasonable but my provisional decision was that I did uphold the complaint. I said I intended to order NewDay to pay a total of £200 compensation (a £40 goodwill gesture that had been offered by the bank should be deducted if that had already been paid).

Neither Ms P nor New Day has provided a response to my provisional decision.

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 the absence of any further representations, I am not persuaded that I should depart from the conclusions set out in my provisional decision.

I conclude a total compensation of £200 is reasonable.

my final decision

My final decision is that I uphold this complaint. In full and final settlement I order NewDay Ltd to pay £200 compensation (if the £40 goodwill gesture has already been paid, this should be deducted to ensure the total compensation paid is £200).

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms P to accept or reject my decision before 25 July 2016.

Charlotte Holland
ombudsman