

complaint

Mr Z complains that NewDay Limited blocked his credit card and didn't provide him with an acceptable explanation.

background

Mr Z has a credit card account with NewDay. It was blocked in July 2015 because NewDay wanted to review the account because of concerns about payments to the account. The block was removed ten days later and Mr Z used the account three days after that. He complained to NewDay about the block and that he had not received an acceptable explanation for his account being blocked. He was not satisfied with NewDay's response so complained to this service.

The adjudicator did not recommend that this complaint should be upheld. He concluded that NewDay acted in accordance with the terms and conditions and that it was entitled to restrict the usage of the account while it was carrying out a risk review. He said that NewDay had apologised that it didn't tell Mr Z that the block had been removed. But Mr Z used the account three days after the block was removed so the adjudicator didn't feel that Mr Z was impacted sufficiently to warrant compensation.

Mr Z has asked for his complaint to be considered by an ombudsman. He says, in summary, that: NewDay had no reason to block his credit card; the payments were made from a debit card linked to his bank account from which he pays his direct debit; and that he provided his proof of address when asked to do so without argument.

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 wrote to Mr Z in response to his complaint in August 2015. In its letter, it said:

"I can confirm that a temporary security block was applied to your account [in July 2015] due to [specified] payments made towards your ... account. As per the Terms & Conditions (T&C's) of your account, [NewDay] has the right to temporarily block your account whilst a review of your account is being conducted. Further to this, I would also like to advise you that it is against your T&Cs to put the account into credit. This is common practice across the UK banking industry and is also stated in your terms and conditions".

NewDay says that the account was blocked because of concerns about three payments that were made to Mr Z's account between late May and early July 2015. It says that those payments took the account into credit. The terms and conditions allow it to block accounts. I find that NewDay acted in accordance with the account terms and conditions when it blocked Mr Z's account. And I find that it did not act wrongly when it did so. NewDay has provided an explanation for blocking the account and I find that it would not be appropriate for me to require it to provide a more detailed explanation.

The block was removed ten days later when NewDay identified that the payments had been made from Mr Z's debit card. Although I consider that it should have notified Mr Z that the block had been lifted, he used the account for a cash withdrawal three days after the block

was lifted. NewDay has apologised for not telling him that the block had been lifted and I find that it would not be fair or reasonable for me to require it to pay any compensation to Mr Z in these circumstances.

my final decision

For these reasons, my decision is that I do not uphold Mr Z's complaint.

Under the rules of the Financial Ombudsman Service, I am required to ask Mr Z to accept or reject my decision before 30 December 2015.

Jarrold Hastings
ombudsman