

complaint

Mrs P is unhappy about the way her card was sold in store by NewDay Ltd in January 2017.

background

Mrs P has said she believed a direct debit had been set up in store to cover the repayments on the card.

In February 2017, when Mrs P received her first statement, she called the business to question why the statement didn't show her direct debit arrangement. The business says their advisors wouldn't have been able to set up direct debit in store. So a direct debit was then set up during the call to cover repayments from April 2017.

Mrs P's complained to the business that she wasn't advised about the repayment method for the card in store. The business applied £5 credit to the account as a gesture of goodwill to cover the cost of her call to set up the direct debit. Mrs P rejected this because she says she could've missed the first payment putting her credit file at risk of adverse information.

One of our investigators looked into the issue and said she thought the business' response was fair. Mrs P disagreed with this outcome so the complaint was passed to me for a final 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.

Firstly I would like to apologise for time it has taken to issue my findings on this complaint. Following my phone call with Mrs P where she talked me through what had happened in the store, I felt it was important to fully understand the in store sales process and what was expected of their advisors. Unfortunately obtaining this information has taken longer than expected.

Mrs P is unhappy that she was asked to provide her bank details, because this made her think a direct debit was being set up from that account to cover her repayments. The business has confirmed this is part of their standard application process and part of the customer identification information they obtain.

I can understand why Mrs P may have thought that a direct debit had been set up after providing her bank details. But I haven't seen any evidence to suggest the business actually told her one had been set up. Therefore I'm unable to say they've done something wrong. A business isn't obliged to set up repayment methods at the point of sale. And there is a responsibility on the customer to ensure that payments reach the business in time. Mrs P was vigilant in checking her first statement and was therefore able to ensure payment was made on time, despite the confusion around the direct debit.

Once Mrs P contacted the business to raise her concerns the business immediately set up the direct debit for future repayments, which I think was fair.

In relation to the sales process itself, I know Mrs P had serious concerns about the in-store advisors lack of clarity around the repayment process. And that this may confuse future

customers. I spent time looking into this for her. Having reviewed all the training material used for advisors, I can confirm there isn't any evidence to suggest they discuss setting up direct debits during the type of sale here.

I realise this will be disappointing for Mrs P because I know this is a complaint she feels strongly about. But I hope my explanation helps her understand why I've reached this conclusion.

my final decision

For the reasons set out above, I am not upholding this complaint about NewDay Ltd.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs P to accept or reject my decision before 16 March 2018

Georgina Gill
ombudsman