

## **complaint**

Miss Z is unhappy with the time taken by NewDay Ltd to clear her credit file when identity fraud had been reported by her. She's also unhappy that the business allowed a credit card to be taken out in her name without carrying out the appropriate checks.

## **background**

On 13 June 2017, a credit card was fraudulently taken out in Miss Z's name. NewDay wrote to Miss Z on 27 June 2017 to inform her that there was potential identity fraud on her account. Miss Z called the business on 6 July 2017 to let it know that she had not made the application so NewDay took action to freeze the account.

NewDay confirmed on 1 August 2017 that Miss Z would not be liable for the account and the necessary amendments will be reported to the credit reference agencies.

Miss Z was unhappy with NewDay for allowing a credit card to be opened fraudulently in her name so she made a complaint. As NewDay had not rectified Miss Z's credit file by 13 September, she referred her complaint to us. But when NewDay responded to us, it confirmed that the correction had been made and it offered Miss Z £100 for the stress caused to her.

Our investigator looked into Miss Z's complaint and said she didn't think NewDay needed to do anything further and £100 was a fair offer in the circumstances.

Miss Z didn't agree with the investigator and asked for an ombudsman to make a decision. So the complaint has been passed to me.

Miss Z said:

- She doesn't think £100 was enough for the unnecessary situation NewDay has put her in. This service hasn't taken account of the stress she's suffered and the poor communication from the business;
- A fraudulent application can be made online quickly so it doesn't make sense that the business can take months to rectify that situation;
- NewDay made the error when it granted account facilities which were fraudulently applied for in her name; and
- NewDay failed to carry out appropriate checks and didn't safeguard her against fraud and she feels some measure needs to be put in place for lenders to be regulated more strictly.

## **my findings**

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint. Having done so, I'm not upholding this complaint. I'll explain why.

I can see from the evidence provided by both parties that it took around three months for the whole situation to get resolved by NewDay. During this time, NewDay took the correct action to inform Miss Z as soon as it could that the account had been opened fraudulently. And it then took from 6 July 2017 to 1 August to do further internal checks before it asked the credit reference agencies to rectify Miss Z's file.

Miss Z says amending the credit file took too long and action should have been taken sooner by NewDay. I've reviewed what happened and although by 1 August, NewDay was ready to inform the credit reference agencies, it's reporting only takes place at the end of each month. So in effect it did take longer than it should have. But by leaving it until 31 August, I can't see that it's had a detrimental effect on Miss Z's credit file as the records were corrected and back-dated to when the account was opened. And I don't think NewDay acted unfairly by not requesting Miss Z's credit file to be amended sooner than 31 August 2017.

Miss Z says she'd like NewDay to be punished for allowing accounts to be opened fraudulently and feels this isn't acceptable. She says other lenders didn't allow an account to be opened in her name and blocked the transaction. I understand how Miss Z feels. But I confirm that it's not our role to police or regulate the business. Additionally, each business makes its own decision in what checks it carries out and it's not something that I can comment on.

Overall, NewDay has corrected the fraudulent activity and has rectified Miss Z's credit file. I acknowledge that NewDay could have asked the credit reference agencies to amend the records sooner but it's accepted that already and offered £100 in recognition of this. I've looked at what's happened on Miss Z's case and I think the £100 offer made by NewDay is reasonable. I appreciate that the situation would have been distressing for Miss Z, but I think NewDay has taken that into account in its offer. I don't think NewDay needs to do anything further.

### **my final decision**

For the reasons explained above, I'm not upholding Miss Z's complaint against NewDay Ltd.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss Z to accept or reject my decision before 16 April 2018.

Nimisha Radia  
**ombudsman**