

complaint

Mrs D complains that NewDay Ltd failed to contact her when lots of transactions were processed on her card over a very short period of time.

background

Mrs D found out that her account had a large balance when she received a text telling her that her credit limit had been exceeded. She noticed that there were lots of transactions on the account over a short period of time which had resulted in a balance of £2800. An over limit fee had also been applied to the account.

Mrs D contacted NewDay and said that she didn't recognise the transactions. NewDay raised a fraud case and removed the transactions from the account.

Mrs D later contacted NewDay and said that her son was responsible for the transactions. NewDay said that Mrs D was liable for the transactions and re-debited the account.

Mrs D is unhappy that NewDay didn't flag up the transactions under its fraud prevention system. She says that NewDay should have contacted her because the activity on her account was unusual. Mrs D wants NewDay to refund the transactions.

The investigator looked into Mrs D's complaint but didn't uphold it. Mrs D still feels that NewDay should have contacted her sooner than it did. So she's asked me to make 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.

I can see that there were numerous PayPal transactions over a short period of time on Mrs D's account. And I believe Mrs D when she says that this was unusual activity for her account. I appreciate that it was frustrating for Mrs D that NewDay didn't contact her sooner about the transactions. It's possible – but not guaranteed - that she might have discovered what her son was doing sooner than she did.

I've looked at the information provided by NewDay following its investigation into why the transactions didn't trigger a fraud prevention alert. NewDay has explained that because the transactions were made via PayPal, it didn't trigger an alert, because it's not unusual for an account holder to have multiple PayPal transactions. NewDay says that if all of the transactions had been in favour of one retailer, this would've triggered the high velocity alert.

Taking all of the evidence into account, I'm satisfied that NewDay has a fraud system in place to flag up suspicious transactions, but that these payments didn't meet the criteria. So I can't find that NewDay had a reason to question the transactions or to refuse the payment requests.

I have sympathy for Mrs D. But ultimately it's Mrs D's responsibility to protect the unauthorised use of her card by members of her family in a situation like this. I'm satisfied that NewDay has followed its procedures and dealt with Mrs D's complaint fairly. So I'm unable to ask NewDay to refund the transactions.

my final decision

My final decision is that I do not uphold the complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs D to accept or reject my decision before 11 September 2017.

Emma Davy
ombudsman