

complaint

Miss C complains that NewDay Ltd ("NewDay") gave every indication that her application for a store card would be eligible for a buy now pay later account. She's disappointed that this wasn't approved and that NewDay have subsequently said they don't do buy now pay later accounts.

background

Miss C applied for a store account managed by NewDay in May 2017. She says she followed an on-line link to a page that promised the account would offer the benefits of buy now pay later (BNPL). She said she believed she wouldn't have to pay for items she bought until three months had elapsed.

She made some purchases in June and then travelled abroad, returning in September of the same year. But whilst abroad she realised she was incurring charges for late payment. So she contacted NewDay from abroad and incurred telephone charges of £54.

NewDay said her account wasn't a buy now pay later account and they said they didn't offer this facility. So Miss C contacted this service and asked our investigator to take a look.

The investigator agreed with Miss C. She discussed the issue with NewDay who eventually agreed that a BNPL promotion had been in place when Miss C made her application. But they said that Miss C hadn't used the account correctly. They said that if she'd clicked on the right link: the SHOP NOW link, her shopping would have benefited from BNPL. But they said, as she didn't, the promotion wasn't applied. They said that Miss C's on line account showed no BNPL purchases and they thought it reasonable to suggest she should have noticed this when she logged on to her account.

But our investigator still supported Miss C's claim. She understood NewDay's position that when entering her online account Miss C should have noticed she wasn't benefiting from BNPL, but she wasn't persuaded by it. She said it was clear that there was a BNPL promotion at the time of Miss C's application and she was persuaded that Miss C had clicked on that promotion and had expected to benefit from it. She understood that she would therefore have had an expectation she wouldn't be incurring charges and as a result she thought it fair to suggest NewDay return the charges they had made to her account and the cost of the calls Miss C had made to try to rectify the situation.

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 agree with the investigator's view. Please let me explain why.

Where the information I've got is incomplete, unclear or contradictory, as some of it is here I have to base my decision on the balance of probabilities.

I've read and considered the whole file, but I'll concentrate my comments on what I think is relevant. If I don't comment on any specific point it's not because I've failed to take it on board and think about it but because I don't think I need to comment on it in order to reach what I think is the right outcome.

I'm persuaded that Miss C applied for a BNPL promotion and that she thought she was benefitting from one. I say this because:

- Her evidence has been consistent here but NewDay's hasn't. Miss C provided a link to a BNPL promotion that NewDay initially said they hadn't offered. It's clear this link existed and a BNPL promotion was in effect when Miss C set up her account and NewDay now accept this
- If Miss C believed she was on a BNPL deal there would be no need for her to make a payment any earlier. Her actions seem consistent with someone who expected to make payments after the 3 month BNPL period
- NewDay accepted that the application of the account was confusing. They refunded a late payment charge because Miss C may have been confused about the need to click on the SHOP NOW link. So I accept that the process by which Miss C could benefit from the BNPL promotion wasn't clear

The investigator has suggested that it would be fair for NewDay to return the charges that were made to Miss C's account, as a result of her missing payments she didn't think she needed to make, and I agree. She has also suggested that NewDay refund the telephone charges Miss C incurred from abroad when trying to resolve a problem that wasn't her making and I think that's reasonable.

my final decision

For the reasons I've given above I uphold this complaint and I tell NewDay Ltd to:

- refund the late payment and over limit charges made to Miss C's account in July, August, September and October 2017
- repay Miss C the £54 of call costs she incurred when contacting them to resolve the issue
- remove any adverse credit markers placed on her credit file as a result of these issues

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss C to accept or reject my decision before 28 October 2018.

Phil McMahon
ombudsman