

complaint

Mr M complains that NewDay Ltd didn't process his payments to his credit card account properly and didn't handle his complaint satisfactorily.

background

Mr M made payments through the faster payments system to his credit card account on 26 December 2015 and 27 February 2016. But NewDay didn't process these payments until after it issued new statements on 28 December and 28 February. This meant his account balance was over his credit limit. He wants NewDay to remove adverse information from his credit record and to compensate him for the inconvenience caused by its unreasonable behaviour and its poor complaint handling.

The adjudicator didn't recommend the complaint should be upheld. She noted that the February payment Mr M made was at a weekend and that often such payments take longer to clear. But in any event Mr M had gone over his credit limit at the beginning of February and so NewDay's delay in processing his payment at the end of the month didn't make any difference to the overlimit charge it imposed. It assured her it hadn't placed adverse information on his credit record.

Mr M wasn't happy with this. He said the adjudicator hadn't understood the issues he'd raised. He said the statements for December and February weren't correct because they didn't show the two payments he'd made before NewDay issued them. And the information on the back of the statement didn't tell him that he had to allow time for his payment to be processed by the faster payment system. He was also unhappy that NewDay produces statements on a non working day but will only process payments on a working day. He couldn't understand why the adjudicator hadn't investigated "widespread problems with NewDay and the involvement of the Financial Conduct Authority". Finally he said the adjudicator had quoted different terms and conditions to the ones NewDay had given him.

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 appreciate how strongly Mr M feels about this but for reasons I give below I'm not going to uphold his complaint.

Mr M can't understand why NewDay produces statements on a non working day and only processes payments on a working day. But in light of the Rules under which we were set up we can't comment on that or tell a bank to change its internal processes. That is for the regulator, the Financial Conduct Authority. And we can't comment on any investigation it's undertaking.

The information about how a customer can make payments is shown on the back of the monthly statements. It warns customers that extra time should be allowed for payments to reach NewDay over a bank holiday. It says that one working day needs to be allowed for online banking and that it accepts payments using the faster payment system. It gives the amount of the overlimit charges. Mr M says this wasn't part of the terms and conditions of his account but it is shown on the back of all the statements he's been receiving.

There are some limitations to the faster payments service. Some banks restrict payments to banking hours. And not all banks or building societies are members of the scheme. Mr M had to make payment to NewDay through a third party bank so time is needed to process the payment.

For those reasons I don't think NewDay has done anything wrong. So I don't agree with him that the statements NewDay produced at the end of December 2015 and February 2016 aren't correct and I can't fairly ask NewDay to change them.

I've also looked at how NewDay responded to Mr M's complaint. I think the bank could've been clearer in its response, but I can't find it's given Mr M a poor service.

my final decision

My decision is that I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr M to accept or reject my decision before 30 August 2016.

Linda Freestone
ombudsman