

complaint

Mr P complains that NewDay Ltd ("NewDay") incorrectly declined his card payments.

background

Mr P has a store credit card issued by NewDay. He tried to use the card on 11 June 2018 but the payment was declined. There wasn't anything wrong with his account and NewDay says it didn't decline the payment. Mr P spent a long time on the phone to NewDay and had to speak to several departments. He says he was given contradictory information and wasn't told that a new card had been ordered even though it had. After Mr P complained, NewDay apologised for its customer service and paid him £15 compensation to reflect any trouble and upset that was caused.

On 13 July, Mr P's new card was declined twice. He complained again to NewDay. NewDay didn't uphold his complaint because it said the problem was most likely as a result of issues with the third party card scheme that processes the transactions. It added that all payments come to NewDay for authorisation through the card scheme and it didn't receive any authorisation requests for the declined transactions.

Mr P wasn't satisfied with NewDay's response and referred the matter to our service. He says that the situations caused him embarrassment, upset and inconvenience. Our investigator didn't uphold Mr P's complaint because he thought NewDay had been fair and reasonable. Mr P asked for a final ombudsman's 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.

When Mr P's card didn't work the first time, NewDay arranged for a replacement card and PIN to be sent out the same day. I think that's all I could reasonably have expected it to have done. I sympathise with Mr P's frustration that he had to spend so long on the phone to NewDay, and that he was told the wrong thing - but I think £15 compensation to reflect those shortcomings was reasonable.

It's unfortunate that Mr P had another problem with his new card just a few weeks later. I understand why Mr P was upset by this, and he says he was embarrassed because he was with other people when it happened. NewDay has said this was a result of problems the card scheme was having at the time. I'm satisfied this ties in with difficulties that were being reported across the UK about the card scheme around the time. So overall, it does seem to me that this is the most likely explanation for what happened. I appreciate Mr P's comments that his relationship is with NewDay, so ultimately he feels it should be responsible - but I don't think NewDay could have fixed the issue or had any control over the third party.

I know Mr P will be disappointed, but for the reasons I've explained I'm not going to ask NewDay to do anything more here.

my final decision

My final decision is that I do not uphold this complaint

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr P to accept or reject my decision before 19 January 2019.

Katy Pillai
ombudsman