

complaint

Mrs D complains on behalf of her mother that payments made to NewDay Ltd were returned. She's also unhappy about the level of customer service she's received and wants NewDay to explain why it kept returning her payments yet making demands for payment at the same time.

background

Mrs D set up a standing order to make payments on her mother's credit account with NewDay. She says that NewDay initially accepted payment but in October 2018 it began returning payments.

Mrs D contacted NewDay to query the returned payments and was told someone would get back to her. This didn't happen. Mrs D's mother then began to receive calls and letters about missed payments.

Mrs D complained to NewDay. In its final response it said Mrs D had missed her last three payments. It advised her to check that she had the correct details in place for the standing order. It also suggested that Mrs D considered alternative methods for making payments.

Mrs D wasn't happy with the response. She said the standing order was set up a while ago but it was only recently that payments had been returned. She felt she had tried to resolve the issue with NewDay but hadn't received the promised call back.

Our investigator upheld the complaint in part and said that NewDay wasn't responsible for the incorrect reference on the standing order but that it could've done more to investigate why the payments were being returned, which would've resolved the issue sooner. The investigator recommended that NewDay remove the marker on Mrs D's mother's credit file.

NewDay didn't agree that it should remove the marker. It said it has told Mrs D there was a problem with the reference.

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 initially the standing order has the correct reference and that the first payment was successful. After that, payments were returned.

Mrs D contacted NewDay about the returned payments. I've listened to some of the call recordings and it's apparent that the call handler at NewDay couldn't see a problem with the reference and said that he would look into it and contact Mrs D with an explanation.

Mrs D says she didn't receive a call back with an explanation as promised. I haven't been provided with any information to suggest that Mrs D was contacted with an explanation. I can see that NewDay wrote to Mrs D to advise her of the arrears on the account but this letter didn't contain any explanation as to why the payments were being returned.

In the circumstances I think it was reasonable for Mrs D to wait for NewDay to contact her once it had discovered what the problem was. I don't think it was reasonable for NewDay to

write to Mrs D about missed payments, or to place a marker on her mother's credit file, whilst the matter was being investigated.

NewDay has said that it wrote to Mrs D and told her that the problem was with the reference number. I've looked at this letter but I don't think it clarifies what the problem was. It just says there's a problem with the reference.

It's clear that NewDay felt it was up to Mrs D to identify what the problem was and resolve it. It's also clear that Mrs D thought NewDay was investigating what the problem was. On balance, and even though NewDay told Mrs D there was a problem with the reference, I don't think NewDay did enough to investigate the exact nature of the problem and let Mrs D know how she could resolve it. I'm satisfied that NewDay had access to sufficient information that it could have identified the exact problem, just as the investigator for this service was able to. Had NewDay carried out a proper investigation, it could've have resolved this much sooner with Mrs D.

In the circumstances, and whilst NewDay isn't responsible for the incorrect reference, I think NewDay could've done more to investigate and resolve the problem sooner with Mrs D. An earlier resolution of the problem would have led to payments being resumed sooner, which may have meant that it was unnecessary to register a marker.

Because of this, I don't think it's fair that a marker was placed on Mrs D's mothers credit file. NewDay Ltd should remove the marker.

my final decision

My final decision is that I partially uphold the complaint. NewDay Ltd should remove the marker.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs D to accept or reject my decision before 23 August 2019.

Emma Davy
ombudsman