

complaint

Mr D complains his account with NewDay Ltd doesn't show accurate information.

background

Mr D had a credit card account that was provided by NewDay. But he said it didn't show the correct available balance when he viewed it online. He checked his previous and pending transactions and thought he was just under his credit limit. But the account went over the limit. So he wants compensation for his trouble and upset.

NewDay said the 'available to spend' figure included any completed transactions and any pending transactions that'd been approved. But it wouldn't include transactions that a merchant hadn't authorised yet. And it was Mr D's responsibility to track his purchases and check what'd been applied. However NewDay agreed to refund any over limit fee on this occasion as a gesture of goodwill.

Mr D wasn't satisfied with NewDay's response. So he contacted our service and our investigator looked into the matter. He listened to the calls between Mr D and NewDay. And he checked Mr D's transactions. He thought one of the pending transactions hadn't been authorised by the merchant until the following day. And that'd caused Mr D to go over his limit. He felt NewDay had put sufficient explanation on its website so customers could understand how the balances were calculated. So he didn't think NewDay had done anything wrong.

Mr D didn't agree. He didn't think the website clarified the difference between balance and available to spend. And he'd watched his account for at least three days. So he's asked for an ombudsman's 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 appreciate Mr D's frustration. He doesn't think the 'available to spend' figure was accurate in his case. He watched it for a few days. And it suddenly changed. And he thinks NewDay would be better off not including the figure on its website at all. It could mislead customers.

I understand what Mr D is saying. And I can see he's had a detailed and comprehensive discussion with our investigator about how the balances are determined. So I've looked carefully at everything Mr D, and NewDay, has said.

Its important customers are able to see accurate information about their accounts. And I'd expect NewDay to provide the correct balance as well as any pending transactions it's aware of.

Once a card is used the transaction would normally become pending. Pending transactions mean the current balance may not take everything into account – there may be other debits that are about to be applied. So businesses try and show the customer a more accurate representation of what they actually have to spend by including an 'available' figure.

This isn't just the difference between the account limit and the current balance. It will also include any pending transactions the business has been made aware of.

The merchant may not claim the funds immediately. So NewDay has to try and reflect that in the available balance. And, of course, it can't include pending transactions it isn't aware of yet.

I can appreciate Mr D's frustration. But it's not the role of the financial ombudsman service to look at NewDay's business practises. Our role is to see if NewDay has made any mistakes. And to put the customer back in the position they'd have been in if the mistake hadn't happened.

Mr D was surprised when his limit was exceeded after he'd checked his recent transactions. But NewDay has agreed to refund any over limit fee. So I can't say Mr D has suffered any financial loss.

I think the descriptions on the online account do try and explain the difference between the balance on the account and the amount that is actually available to spend. And, of course, the account holder also has a responsibility to monitor their finances and keep track of their transactions to make sure they stay within their agreed limits.

Although our service can't tell NewDay how to run its business, I'm sure NewDay does take notice of the outcome of all of the complaints it receives to see if it can improve things. But, based on what I've seen, I can really say NewDay has made any mistakes. And I won't be asking it to do anything more.

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 D to accept or reject my decision before 6 July 2018.

Andrew Mason
ombudsman