

## **complaint**

Mr O complains about the way NewDay Ltd (NewDay) handled some refunds to his Debenhams card following the cancellation of some airline tickets he'd bought. In particular he's unhappy about the delays NewDay caused and the lack of updates he received, which he says has caused him a great deal of distress and inconvenience to pursue.

## **background**

Mr O cancelled some airline tickets he'd bought using his Debenhams card and asked for a refund. He accepted there was a cancellation fee which was taken from his card, but he subsequently discovered one of the refunds had been reversed and other payments he didn't recognise were taken from the card. Mr O contacted NewDay as he was concerned about fraudulent activity, so NewDay cancelled the card and started a chargeback query.

Over the next two months Mr O says he was asked to provide duplicate information to prove the purchases and that he was due a refund. He says he didn't receive any updates or confirmation of what had happened. In January 2018 he complained about the time it had taken to resolve the matter and the stress he'd suffered.

NewDay said Mr O had been charged and refunded in line with the airlines terms and conditions which said he was only due a refund of any taxes he'd paid for the flights. It confirmed all the other payments had been taken correctly although it accepted that it had duplicated some transactions. It offered £100 as compensation for a late payment charge and interest that had been incurred as well as the inconvenience Mr O suffered.

One of our investigators looked into the complaint and thought that, while Mr O shouldn't get a refund beyond the terms and conditions of the sale, he should be given £250 compensation for the distress and inconvenience caused.

Mr O agreed, but NewDay said Mr O should have been aware of the airlines terms and conditions and said it hadn't acted unfairly. It also said it had only sent Mr O letters which were needed to process his claim. As no resolution could be found the case has been passed to me for a 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'm satisfied that NewDay has now dealt with all the transactions and refunds correctly and that Mr O's statements show his card to be in the position it ought to be in. So I don't think Mr O has suffered any financial loss here.

Mr O said he agrees with our recommended compensation and now accepts that his card statement does accurately reflect the financial position he should be in. But NewDay doesn't accept the amount of compensation that's been proposed. So I'm going to consider what amount is fair and reasonable in the circumstances of this complaint. And I agree with the investigator that the sum of £250 is appropriate for the impact this matter has had on Mr O and I'll explain why.

From September to December 2017 Mr O received a number of letters from NewDay requesting information to pursue his claim. But I've seen how Mr O had already provided much of that information and I can't say NewDay kept Mr O updated with its progress during that time or explained clearly why it needed further information. Mr O has said how he was aware that the merchant hadn't been contacted by NewDay, so he knew his claim wasn't progressing and I can understand how frustrated he would have been about the delay in resolving the matter.

NewDay said that the monthly card statement for September 2017 had 14 separate entries which amended any previous errors and corrected the position of Mr O's account. It said the airline only promised partial refunds which it did make. But I can't see that it told Mr O about this in its communications. If NewDay had explained the transactions shown on that statement to Mr O—or referred him back to the company that owed him the refund so that he could clarify the payments, I think he might have understood and accepted the position. Instead in December 2017 NewDay continued to tell Mr O it was reviewing his complaint.

Mr O has lost a significant amount of money by cancelling his flights. He has to accept that as part of the terms and conditions of the airline. But I can understand the stress he was under by not being aware of that for around five months. NewDay has said Mr O should have referred to the airlines terms and conditions to understand he would only get partial refunds—but that wasn't clear from the statements he received, and his card continued to have transactions taken from it which caused him to be concerned about fraud. I think, as the expert in this situation, NewDay should have explained about the payments it had received from the airline much quicker than it did. And I think the delay in not making Mr O aware caused him more and more distress.

Mr O has said that he didn't use his card during this time and also that he'd been refused credit—albeit an unrelated application—which hadn't happened to him before. There's no evidence to suggest that was caused by the ongoing issue with this card but I can see it would have added to Mr O's overall distress.

So for the reasons given—while I don't think Mr O has incurred any financial loss from the transactions, and NewDay has corrected his account to where I think it should be—I agree with the investigator regarding the inconvenience Mr O has suffered here.

### **my final decision**

I uphold Mr O's complaint against NewDay Ltd in as much as it should pay him £250 for the distress and inconvenience caused by this matter.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr O to accept or reject my decision before 23 February 2019.

Keith Lawrence

**ombudsman**