

complaint

Mr S complains that NewDay Ltd failed to place a stop on specific payments due to be made from his store card account.

background

Mr S says he wrote to NewDay in June 2018 to ask it to stop a payment from going out to another company. He said he didn't receive a response from NewDay and in August 2018, a payment of £84.99 was still made. Mr S says he then wrote to NewDay again in October 2018 to question why this was still paid despite his request for it to be stopped. He also queried the monthly outgoing payments of £15.00 to another company.

NewDay say that they didn't receive Mr S's letter in June 2018. They do confirm they received the letter in October 2018 but they were not able to verify the sender as it contained a different postcode. Mr S says he never received a response and so he logged a formal complaint in December 2018, and as a result both companies were placed on a stop list so that no further payments were made to them. Mr S says NewDay should have stopped the payments sooner; he wanted all his payments refunded and £100 compensation.

NewDay has since confirmed that the £84.99 has been refunded to Mr S's account, and all £15.00 payments between January and December 2018 have also been refunded. NewDay have also adjusted the interest on his account.

The investigator at this service didn't think Mr S was out of pocket as all payments had been refunded and the interest had been adjusted on the account. But she also felt that NewDay could have dealt with Mr S's complaint better and said they should pay him £50 for the distress and inconvenience caused.

Mr S accepted the investigators view but NewDay didn't agree so this has come to me for a 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. Having done so, I am upholding this complaint in part. I will explain.

Mr S says he wrote to NewDay in June 2018 but NewDay say they never received it. It's possible this has been lost in the post but Mr S hasn't provided a copy of this letter or any proof that this was sent. As there is no confirmation that the letter was sent or received, I'm unable to say that NewDay failed to carry out the instructions Mr S detailed in his letter in June 2018. So I'm not persuaded they've done anything wrong here.

Mr S wrote to NewDay in October 2018, and NewDay confirm receipt of this but say the postcode noted didn't match the one on Mr S's account. So they were unable to put a stop on the payments Mr S had requested. They say they set up a call back request to follow up with Mr S. Having seen NewDay's system notes I can see a note that confirms a call back should be arranged but it doesn't show that the call back was ever made. NewDay's system notes don't show any record of communication with Mr S until a complaint was made in December 2018.

NewDay say this lack of response had no impact on Mr S's situation and the payment would still have been made by this point. Whilst I understand that a response at this time wouldn't have prevented the £84.99 payment from being made, the lack of response from NewDay meant the £15.00 monthly payments continued to be made. So I've considered the financial impact on Mr S. As NewDay have now confirmed a refund of all payments, and an adjustment to the account has been made I am satisfied that there hasn't been any financial detriment to Mr S.

I also considered the impact the lack of communication had on Mr S. NewDay didn't think there was any impact as a result of not contacting Mr S as they say he didn't request a chargeback when he contacted them. They say under the card scheme rules Mr S had a time limit of 120 days from the date of payment to raise a charge back request and he didn't do this. Whether Mr S requested a chargeback or not, I don't think this prevented NewDay from helping Mr S or from letting him know if/why they couldn't help.

NewDay have said there was no guarantee that Mr S would have picked up the phone if they had called him so the lack of communication shouldn't impact the complaint. I don't agree. The failure to call Mr S back resulted in further payments being made from his account. He's also had to contact NewDay again for any action to be taken which added to his frustration. I'm also not persuaded that the possibility of Mr S not answering his phone justified NewDay's failure to respond to him. I think it's reasonable to say that NewDay failed to follow up Mr S's communication and should have done more to help him. For the distress and inconvenience that this has caused him, NewDay should pay Mr S £50.

my final decision

For the reasons above, I uphold this complaint in part. NewDay Ltd should pay Mr S £50 for distress and inconvenience.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr S to accept or reject my decision before 7 December 2019.

Naima Abdul-Rasool
ombudsman