

## **complaint**

Ms G has complained about the limitations NewDay Ltd has placed on using her store card account – both in blocking her account and only using telephone or letters to communicate with her.

## **background**

Ms G has had one specific store card account since 1997. This is now managed by NewDay. As Ms G does not feel she can trust the phone, she has to correspond with NewDay in writing every time something goes wrong with her card. She was particularly concerned when she was unable to pay her utility bill as her account was blocked. It took some time for the issues to be sorted.

Ms G complained to NewDay who informed her that they were unable to communicate by email in a secure manner. As they had taken over Ms G's account from another financial services company, they were also unable to guarantee what online facilities they were going to offer longer-term. Ms G brought her complaint to the ombudsman service. She was also concerned about the increase in APR on her store card account.

Our adjudicator considered all the detail of Ms G's complaint but was unable to recommend upholding her complaint. She felt that NewDay had not done anything wrong. She was able to pass on advice from NewDay about how Ms G could set up her account online from anew. Ms G remained unhappy and has asked an ombudsman to review her case.

## **my findings**

I have considered all the available evidence and arguments to decide what is fair and reasonable in the circumstances of this complaint.

There are a number of different strands to Ms G's complaint and I will consider these separately:

### *increase in APRs*

Ms G is unhappy that the APR charged on her card has increased from 16.9% to 29.9%. I have reviewed the evidence that NewDay has provided, along with best practice that companies should follow when increasing the rates they charge. The key is sufficient notice must be given and I am satisfied that written advice was provided to Ms G. In addition customers should be given the option to pay off any outstanding balance at the old rate and close the account. I am satisfied that option was also offered to Ms G. I can understand that it must seem unfair and that Ms G believes she has little control when rates and charges are changed on an existing card. However I do believe that NewDay's conduct meets best practice and their own terms and conditions.

### *account being blocked*

Ms G told us of two specific events when her account was blocked and it took her some time to unravel what had happened and allow to use her account again. Firstly she tried to pay a large utility bill. Unfortunately she entered the wrong expiry date on her account when trying to make the payment so her initial attempt to pay was blocked. She made a further attempt to pay. When she did that NewDay's anti-fraud measures kicked in and her account was

blocked. Whilst this may be frustrating for her, I believe that NewDay has acted fairly and they were doing what they felt was best to ensure her card remained secure.

On the second occasion Ms G tried to take out two lots of cash using her card but exceeded her daily withdrawal limit which stood at £250.

I am satisfied that NewDay has not acted unfairly. However I can imagine how frustrated Ms G must have been. Even though I am satisfied that NewDay did nothing wrong, she probably doesn't feel the same.

#### *security concerns*

Ms G does not feel comfortable conducting her finances over the telephone. She won't be alone in feeling that way. This has meant that it takes her more time than normal if there is any issue to resolve on her card account. She believes a simple alternative would be if NewDay was able to write to her by email. Unfortunately that is not something they are able to offer to customers and it would not be fair of me to suggest that they should.

However NewDay should have a workable alternative which allows Ms G to conduct her account easily. I believe that Ms G has now been given the information she needs to manage her account online. This would seem like a workable alternative and I hope that this meets her requirements.

I believe I have considered all of the aspects of Ms G's complaint. Overall I do not believe that NewDay have done anything wrong and therefore it would not be fair to uphold Ms G's complaint.

#### **my final decision**

For the reasons set out above, my final decision is not to uphold Ms G's complaint against NewDay Ltd.

Sandra Quinn  
**ombudsman**