

## **complaint**

Mr M complains NewDay Ltd failed to close his account properly resulting in transactions still being applied to his account. He doesn't feel the compensation offered by NewDay Ltd reflects the inconvenience he has experienced.

## **background**

Mr M had a credit card with NewDay Ltd that didn't seem to operate as efficiently as his other cards and so he decided to pay off the balance and close the account. He spoke with a representative at NewDay who confirmed his account had been closed and no further transactions could be carried out.

Unfortunately, it appears the marker placed on the account to indicate it had been closed was removed and replaced by a different marker, in error. This resulted in transactions continuing to leave Mr M's account.

NewDay acknowledged their mistake and offered Mr M £20 as a good will gesture, which they paid to the account he had closed.

Mr M was unhappy with what he considered to be poor customer service resulting in him taking further time and trouble to sort the matter out. He didn't think £20 reflected this and didn't want it to be paid to an account he had already closed.

Our investigator looked into things for Mr M and agreed NewDay could have handled things much better and had indeed provided a poor standard of customer service. He felt they should increase the compensation offered by a further £30, making a total award of £50 as this better reflected the trouble and upset Mr M experienced.

NewDay disagreed they felt they had acknowledged a mistake had been made but £20 was a fair and reasonable level of compensation and so they asked for this review.

## **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 I've reached the same view as our investigator and I'll explain why.

Mr M contacted NewDay in September 2017 to close his account and was assured by the NewDay advisor that this action had been carried out.

I've looked at all the information provided by NewDay regarding their internal processes and how markers are applied to their accounts to indicate closure and how the error occurred. But the issue I have to consider is what Mr M should have reasonably expected, once he instructed NewDay to close his account. He did so in September 2017 and it was finally closed in January 2018.

When transactions continued to leave Mr M's account after he had instructed NewDay to close it I can understand why he became frustrated and continued to complain to NewDay about the service he was receiving. NewDay rightly point out it is Mr M's responsibility to

cancel any continuous payment arrangements with other merchants but having said that they still hadn't carried out his instructions to close the account.

When they acknowledged they had made an error and offered a good will payment they also paid it to the account he wanted to be closed which I'm persuaded supports Mr M's assertions that NewDay weren't providing him with an acceptable level of customer service and I can see why he felt no-one was really listening to his concerns.

I'm satisfied that NewDay could have provided Mr M with a much better standard of customer service and should increase the compensation offered accordingly.

**my final decision**

For the reasons I have given, I uphold Mr M's complaint and instruct NewDay Ltd to pay Mr M a further £30 in addition to the £20 already awarded.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr M to accept or reject my decision before 13 April 2018.

Wendy Steele  
**ombudsman**