

complaint

Mrs W is unhappy with how NewDay Ltd (NDL) has handled a credit to her store card account.

background

In April 2017 Mrs W returned some purchases, totalling £37.44, bought on a store card. She was later alarmed to receive a statement saying she owed money on the card. She raised this with NDL, but was unhappy with their response. So, she brought her complaint to this service.

Our investigator looked into the case and discovered that the returned items had been credited to another NDL account Mrs W held (account 2). Mrs W said that she didn't know she had two store cards, she was now in default on her account and that this had caused her a lot of inconvenience and distress.

After some discussion with the business and Mrs W, the investigator recommended that the £37.44 be credited to the correct account (account 1) and the balances on both accounts be adjusted accordingly. She said account 1 should be closed and Mrs W's credit rating should not be impacted by the error.

NDL agreed to this, and also agreed to waive the charges incurred on account 1 and pay £50 overall in recognition of the trouble and stress this matter had caused Mrs W.

Mrs W was happy with the recommendation about the credit but felt that the compensation wasn't high enough. She asked for the case to be reviewed by an ombudsman.

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 don't doubt that this matter has been very confusing for Mrs W. But I can see that what the business has done has put her, as far as possible, in the position she should have been in when she first returned the purchases.

When she returned the goods, Mrs W should have had a credit of £37.44 to account 1. This has now been credited to the correct account. She hasn't been charged for anything on this account and the account has now been closed, as she's requested. This means she hasn't lost any money because of what happened and there will be no negative impact on her credit rating.

I can see that this matter has caused Mrs W some inconvenience and stress. Mrs W has said she was worried when she was told she owed money on her store card, and she's had to make various phone calls, and go back to the store to try and sort things out. She was further inconvenienced when NDL didn't identify what had caused the problem when she first contacted them.

When NDL first looked at this case, it offered a lower amount of compensation, but later increased this to £50.00. I've taken everything Mrs W has said into account, and I think the £50 offered is an appropriate amount of compensation for the inconvenience and distress she has suffered.

my final decision

My decision is that I uphold this complaint and require Newday Limited to pay Mrs W £50.00

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs W to accept or reject my decision before 9 November 2017.

Sarah Holmes
ombudsman