

complaint

Miss B complains that NewDay Ltd harassed her when she missed payments to her account, provided poor customer service and handled her complaint badly.

background

Miss B fell into arrears on a store card provided by NewDay. She felt harassed when it phoned chasing payment. And NewDay gave Miss B the wrong settlement figure when she wanted to pay what she owed. She says NewDay spelt her name wrong on correspondence - and she found staff unhelpful and feels they discouraged her from bringing a complaint to this service.

NewDay accepts it told Miss B the wrong amount when she wanted to clear her balance. But it says she was paid £10 compensation - and some interest and late payment fees were refunded, as goodwill gestures. NewDay says it followed its usual process by contacting Miss B about her arrears - and collections calls stopped after a repayment arrangement was agreed.

Our adjudicator recommends the complaint should be upheld in part. She doesn't think NewDay's contact with Miss B amounted to harassment. But she's satisfied that NewDay's provision of incorrect information and poor service caused Miss B additional upset and had a significant impact on her. Our adjudicator thinks it fair that Newday should pay Miss B another £150 compensation in all of the circumstances.

NewDay disagrees. It says Miss B received a statement before she was given the wrong settlement figure – so she should have known it wasn't correct. It considers compensation and goodwill refunds Miss B has received already are a fair response to her complaint. And NewDay has no concerns about the way staff spoke to Miss B and can't find any evidence she was discouraged from bringing her complaint to this service.

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 have reached the same conclusions as our adjudicator for much the same reasons.

There's no dispute that Miss B missed payments due on her store card account. And I think it wasn't unreasonable for NewDay to contact her about that and ask her to pay off arrears.

I have seen no suggestion that Miss B tried to avoid payment. A payment arrangement was agreed around the end of April. And NewDay says calls from collections stopped shortly after that - so its contact with Miss B wasn't unreasonable.

NewDay has provided some call recordings from May 2015. It's clear from these that Miss B is very distressed. She says she is still receiving collections calls and feels "threatened" and "scared". She explains that she has been ill and suffers from stress – so the situation is affecting her health detrimentally and causing her sleepless nights. And Miss B is also upset that her phone number remains in NewDay's system when she was assured it would be removed.

On 20 May a representative told Miss B that NewDay has a two tier phone system. And, whilst her number was removed from one part, it wasn't removed from the "auto dialler" – which is why the calls continued. The representative apologised and confirmed he had removed Miss B's number from the call system entirely, so she wouldn't get any more calls.

I'm satisfied that NewDay had told Miss B it would stop phoning her before that. And I think being told calls would stop when they didn't, added considerably to the distress and frustration Miss B experienced. So I consider it fair NewDay should compensate her further for that.

NewDay accepts it told Miss B the wrong amount when she asked how much she needed to pay to clear her account. I appreciate it apologised promptly and paid her £10 compensation for any inconvenience caused. And I note NewDay considers Miss B should reasonably have known the figure was wrong anyway - because she had recently been sent a statement.

But Miss B told NewDay that she had gone to some trouble to release funds she held with a third party to pay off what she owed in full. She was worried that money might take some time to come through. And clearly very concerned to ensure that she paid off everything because of a default notice NewDay had served earlier.

I consider it was particularly important to Miss B that the balance information she received was accurate. NewDay accepts it wasn't – it told Miss B she owed nearly £500 less than she did. And I'm satisfied that caused Miss B increased concern and upset - because she was worried about other debts and incurring more interest if she failed to repay the full amount.

I can see that Miss B felt NewDay tried to put her off bringing a complaint to this service. NewDay says it can't find a call recording which suggest that happened. But it has provided a recording from mid May, where Miss B tells the NewDay representative that she felt another member of staff had discouraged her earlier in the week when she mentioned the Financial Ombudsman. The representative replied "we'd rather try and resolve it than have it go any further...because that takes a while and costs more money, we'd rather try and help you".

I don't know if the NewDay representative intended to discourage Miss B from taking her complaint further. But, in the context of the conversation, I can see why Miss B felt that was the case. I appreciate NewDay told Miss B she had the right to complain to this service when it provided its final response to her complaint – but I think it would have been helpful if the representative had made that clear during the phone-call as well. I consider her failure to do so, when Miss B was clearly upset about the matter, distressed Miss B further.

I'm satisfied that Miss B wanted to repay her debts and she engaged with NewDay in order to do so. I consider NewDay caused Miss B significant distress when it kept phoning her after saying it wouldn't and told her the wrong settlement figure. And, in the circumstances overall here, I find NewDay should have provided better customer service. And I think it could have done more sooner to resolve Miss B's complaint and deal with her concerns.

I'm satisfied that Miss B was very distressed and put to some trouble by NewDay's actions. And I agree with our adjudicator that the compensation and refunds NewDay has provided already aren't enough for the inconvenience and upset caused. So I find it's fair and reasonable that NewDay should pay Miss B another £150 compensation for what happened.

my final decision

My decision is that I uphold this complaint in part. In full and final settlement, I order NewDay Ltd to pay Miss B £150 to compensate her for the trouble and upset she experienced.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss B to accept or reject my decision before 9 November 2015.

Claire Jackson
ombudsman