

## **The complaint**

In summary, Mr S complains that NewDay Ltd trading as Aqua, blocked his credit card account. He would like his account to be unblocked and is unhappy with NewDay's security process.

## **What happened**

In June 2023 Mr S opened a credit card account with NewDay. Shortly after the account was opened, Mr S activated it and made a cash transaction. NewDay's systems registered this transaction as unusual and placed a temporary hold on the account. It asked Mr S to contact it.

As requested, Mr S contacted NewDay's fraud department. When Mr S contacted NewDay he wasn't able to answer all of the security questions he was asked and didn't pass security. Mr S then complained to NewDay in September 2023. In its response to the complaint, NewDay explained that to ensure customer safety it asked a number of security questions to confirm a customer's identity. It went on to say that as Mr S hadn't been able to correctly answer those questions, it hadn't been able to continue with the calls. It asked him to recheck his details and contact its fraud department.

Mr S' complaint was reviewed by several of our investigators. They all explained why they didn't think NewDay had done anything wrong. Mr S didn't agree so the complaint has been passed to me to review. I asked NewDay for some clarification in respect of its security process. It explained that the questions Mr S was asked, was information that was on his credit file. And the example questions it said he would be asked were such as how long he had been living at his address, and any other addresses he had lived at. It said these were questions he should know the answers to.

## **What I've decided – and why**

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've decided not to uphold Mr S' complaint. I'll explain why.

I do understand that it must have been very frustrating for Mr S to have had his account blocked, and then not being able to pass security to get it unblocked. However, NewDay has an obligation to protect its customers' accounts against potential fraud. So, I don't think it was unreasonable of NewDay to have put a temporary block on Mr S' account, if it was concerned that a transaction on that account was potentially fraudulent.

NewDay has explained how the security questions Mr S was asked are generated. It has said that Mr S would be asked questions from information that was on his Experian credit file. And it has provided examples of the type of questions he would be asked from that information, that I have summarised above. I'm satisfied that the type of questions he was

asked and will be asked, are based on information that it's not unreasonable to expect that he would have the answers to.

It also appears that as Mr S has a direct debit set up on the account, that he is able to make monthly payments in respect of the outstanding balance. So, I don't think he has suffered any financial detriment as a result of the account being blocked.

In conclusion, I don't consider NewDay has treated Mr S unfairly in blocking his account, or in the way it has posed security questions to him as part of its security process.

### **My final decision**

For the reasons I've set out above, my decision is not to uphold Mr S' complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr S to accept or reject my decision before 6 June 2024.

Simon Dibble  
**Ombudsman**