

## **The complaint**

Mr M complained that a payment he made to his NewDay Ltd (“NewDay”) credit card account went missing.

## **What happened**

Mr M made a payment of £75 to NewDay on 22 March 2023, but the money never reached his NewDay credit card account.

Mr M says that he contacted NewDay on 29 March 2023 to find out where the payment had gone, but says no action was taken. As Mr M had not heard from NewDay, a complaint was raised.

NewDay issued its final response to the complaint on 5 July 2023. It explained that, after Mr M had got in contact about the missing payment on 29 March 2023, it sent him a letter on 31 March 2023 asking for more information to help locate the payment. NewDay says it didn’t receive the requested information until 4 May 2023 and says had it received this information earlier, it could’ve resolved matters sooner for Mr M.

NewDay explained that the payment had been returned, to the account Mr M had paid the money from, on 24 March 2023. NewDay said the returned payment had no impact on Mr M’s credit file.

As a gesture of good will, NewDay refunded Mr M the interest he was charged in March and April 2023 as well as the £12 over-limit fee applied in April 2023.

Unhappy with NewDay’s response to his complaint, Mr M referred his complaint to this service.

One of our investigators assessed the complaint, and they did not uphold it. Mr M disagreed with the investigator’s findings, so the matter was referred for an ombudsman’s decision.

## **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 reviewed everything, I agree with the outcome reached by the investigator for broadly the same reasons that they gave.

Based on what Mr M has said, I can see why he was concerned that his payment to his credit card account hadn’t reached the account. I say this especially as he says that his payments normally arrived in his NewDay account quickly.

NewDay has confirmed that the reason why Mr M’s payment was unsuccessful was because the payment included an incorrect reference number. Because of this NewDay says it returned the payment to Mr M on 24 March 2023.

Following our investigation into this complaint, Mr M says that the returned payment didn’t have “NewDay” on it, or any other identifying reference. I’ve not seen a copy of Mr M’s bank statement, so I can’t really comment too much on this point. But, in his response to the investigator’s assessment, Mr M says that it is “*farical*” to expect him to have looked in his

current account for the missing payment. He says he had no need to be looking through his statements in detail.

However, I disagree. I think it is reasonable for Mr M to have checked his account (that the payment was made from) to see if the money had been returned, once he'd realised it hadn't been received into his NewDay credit card account. Had Mr M done so, he would've seen that he'd received the same amount back as the payment in question. So, I'm sure Mr M would've been able to establish, fairly quickly, that his money had not gone missing and had been returned to him instead. So, although it was Mr M's choice whether to check his bank account for the missing payment, at the same time, I can't reasonably hold NewDay responsible if he didn't.

Nevertheless, after Mr M contacted NewDay about the missing payment on 29 March 2023, I can see that NewDay did reach out to him on 31 March 2023 to ask for more information about the payment, so it could track it down for him. I understand that Mr M didn't receive this letter, but I am satisfied that the letter was, in all likelihood, sent to Mr M. So I think NewDay took reasonable steps to look into the matter for Mr M.

In the circumstances, I'm unable to say that NewDay has acted unfairly or unreasonably, either in declining the payment or in returning it to Mr M's account. And although Mr M has questioned why it took two days to be returned to him, in the circumstances that seems like a reasonable amount of time in which to return the payment to him. I can see that, in its response to Mr M's complaint, NewDay agreed to refund the over limit fee and the interest charged on Mr M's account in March and April 2023. Overall, I think that refunding two months of interest on the account was fair and reasonable, especially as it did take some time for NewDay to issue its final response to the complaint.

Finally, I note that Mr M has asked that the adverse credit information added to his credit file by NewDay be removed. However, I can see adverse payment information has been reported to Mr M's credit file but only because Mr M chose not to make any further payments to his NewDay account, after he'd contacted NewDay about the 'missing' payment.

I'm sorry to hear about Mr M's circumstances. I understand that, due to his decision to not make any further payments towards his credit card account, this led to late payment markers being recorded against him and eventually the account was put into default.

However, given that Mr M actively chose to stop making the contractual repayments, I can't reasonably say that NewDay's actions in recording negative information about Mr M on his credit file was unfair or unreasonable. After all, a credit file is meant to provide an accurate reflection of how a consumer has managed a debt and whether any late or non-payment has occurred, or indeed if an account has been defaulted. And, although Mr M had raised a complaint about the missing payment to his credit card account, this doesn't mean he was no longer obliged to make the ongoing contractual repayments.

As such, I can't reasonably say that NewDay should make any amendments to the entries on Mr M's credit card account as a result of him deciding not to repay the debt that was owed.

### **My final decision**

Because of the reasons given above, I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr M to accept or reject my decision before 29 July 2024.

Thomas White  
**Ombudsman**