

The complaint

Mr M complains that NewDay Ltd refused to increase his credit limit and incorrectly told him he hadn't been a customer for more than six months.

What happened

Mr M says he applied for an increase to the credit limit on his NewDay credit card account. He says he was incorrectly told he hadn't been a customer for more than six months and so wasn't entitled to an increase. Mr M would have liked a credit limit increase or an explanation why he couldn't have one when his credit score is high.

NewDay accepts it gave Mr M incorrect information about the length of time he had been a customer and has apologised. It says it's entitled to decide on credit limits and says it will tell Mr M when and if he becomes eligible for an increase.

Mr M brought his complaint to us and our investigator thought it was for a business to decide on credit limit amounts. The investigator thought NewDay had fairly apologised for its mistake. The investigator also looked into a previous complaint made by Mr M about NewDay.

Mr M doesn't accept that view and maintains the credit limit caused inconvenience. He says the previous complaint has been settled but wished to raise it to provide a further example of how he has been dealt with.

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 have come to the overall view that NewDay has fairly apologised for its mistake and is entitled to decide what the credit limit on a customer's account is without providing detailed information for its reason. I appreciate Mr M will be disappointed with my decision and appreciate that this is not the first complaint he has had about NewDay.

There is no doubt here that NewDay made a mistake by telling Mr M that he hadn't been a customer for six months or more. I appreciate Mr M's frustration in those circumstances as he would have known the correct information. But I'm satisfied NewDay has fairly apologised for that mistake and I don't think such a mistake justifies compensation. I don't think Mr M suffered any financial loss in any event and think that NewDay was entitled to decide upon this issue of a credit limit when exercising its commercial judgement and clearly can't tell customers the exact reasons for a refusal in every case for commercial reasons.

I appreciate Mr M says the credit limit is too low, but we are not NewDay's regulator and so it's not our role to direct it how it deals with these sorts of issues or order it to reveal more information about that process. And it would be for NewDay's regulator to look at any wider service issues that Mr M suggests are present.

I can see that NewDays says it will tell Mr M when he becomes eligible for a credit limit increase but can also see that it may be the case that he no longer wishes to use this credit card account.

Overall, I'm satisfied that NewDay has fairly apologised for its mistake and am satisfied this brings an end to what we in trying to resolve this dispute informally can do.

My final decision

My final decision is that 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 20 February 2022.

David Singh
Ombudsman