

The complaint

Mr E complains that NewDay Ltd ('NewDay') irresponsibly gave him 2 credit card account facilities that he couldn't afford.

What happened

On 8 November 2017, Mr E applied for and was given a credit card account with NewDay with a credit limit of £900 under the trading name of Aqua. I will refer to this as Account A.

On 23 May 2019, Mr E applied for and was given a credit card account with NewDay with a credit limit of £1200 under the trading name of Marbles. I will refer to this as Account B.

In 2022, Mr E complained to NewDay to say that the accounts shouldn't have been opened for him because it wasn't affordable and that NewDay ought to have made a better effort to understand his financial circumstances before increasing his credit.

Our adjudicator didn't recommend the complaint be upheld. Mr E didn't agree. So, the complaint has been passed to me to decide.

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.

I've read and considered the whole file, but I'll confine my comments to what I think is relevant. If I don't comment on any specific point it's not because I've failed to consider it but because I don't think I need to comment on it in order to reach what I think is the right outcome in the wider context. My remit is to take an overview and decide what's fair "in the round".

NewDay will be familiar with all the rules, regulations and good industry practice we consider when looking at a complaint concerning unaffordable and irresponsible lending. So, I don't consider it necessary to set all of this out in this decision. Information about our approach to these complaints is set out on our website.

Mr E's complaint is that NewDay made credit available that was unaffordable. NewDay has explained that it carried out a credit check using a credit agency to determine the amount of credit it was able to offer. It's possible that NewDay failed to make adequate checks before providing Mr E with credit. But even if that's true, I don't think better enquiries would have caused NewDay to think the credit was unaffordable.

I say this because Mr E told NewDay that he earned a good salary. Mr E's bank statements show that Mr E's account enjoyed an income that was both regular and not modest. And the statements suggest that whatever other monthly commitments Mr E may have had for other credit, the total income each month was roughly the same as his monthly expenditure. And the credit reports I have seen show no CCJ's or defaults in the years before the sale, except for the one that happened in 2015. Had NewDay been

aware of this on the occasion it arranged credit, I think it unlikely that this would have put NewDay off providing reasonably modest credit on the credit cards.

So, having considered all the submissions made in this case, and in the absence of any extra evidence from Mr E to the contrary, I have seen insufficient evidence to think that more thorough affordability checks would have led NewDay to think that the credit it provided Mr E was unreasonable. Further, I'm not persuaded that what NewDay could see of his management of other credit ought to have prompted it to have acted differently than it did.

I know that Mr E will be disappointed with my decision. But I want Mr E to know that I have noted all the submissions made in this case. Having done so, I have not found sufficient evidence to uphold this complaint.

My final decision

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

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr E to accept or reject my decision before 10 June 2022.

Douglas Sayers
Ombudsman