

## The complaint

Ms D complains that NewDay Ltd ('NewDay') irresponsibly gave her a credit card account that she couldn't afford.

## What happened

On 9 February 2018, Ms D applied for a credit card account with NewDay. She was given an initial credit limit of £600. The credit limit was never increased.

In 2021, Ms D complained to NewDay to say that the account shouldn't have been opened for her because it wasn't affordable and that NewDay ought to have made a better effort to understand her financial circumstances before giving her credit.

Our adjudicator recommended the complaint be upheld. NewDay didn't agree. So, the complaint was passed to me to decide.

I issued my provisional decision in respect of this complaint on 27 June 2022, a section of which is included below, and forms part of, this decision. In my provisional decision I set out the reasons why I didn't agree with the adjudicator's view and that it was my intention not to uphold Ms D's complaint. I set out an extract below:

*"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.*

*Ms D'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 at each stage of its lending. It's possible that NewDay failed to make adequate checks before providing Ms D with credit. But even if that's true, I don't think better enquiries would have caused NewDay to think the initial credit limit was unaffordable.*

*I say this because Ms D told NewDay at the point of sale that she was in receipt of income in retirement and that she had other income too. The initial credit limit was relatively modest and the maximum monthly payments for that credit would also have been relatively modest. I've noted the default Ms D had prior to this, but I've noted that was nearly a year before this lending decision was made. I have noted the existing borrowing but do not think this was so substantial as to make this lending automatically unreasonable. I have also noted that the credit was subsequently largely well managed by Ms D.*

*So, having considered all the submissions made in this case, and in the absence of any extra evidence from Ms D 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 Ms D was unreasonable. Further, I'm not persuaded that the way Ms D was managing her account or what NewDay could see of her management of other credit ought to have prompted it to have acted differently than it did.*

*I know that Ms D will be disappointed with my decision. But I want Ms D to know that I listened to all the submissions made in this case. Having done so, I have not found sufficient evidence to uphold this complaint."*

I asked the parties to the complaint to let me have any further representations that they wished me to consider by 11 July 2022. NewDay have acknowledged receiving the decision and said they accept my provisional findings. Ms D's representatives have acknowledged receiving the decision but, at the time of writing, they have not made any further submission or made a request for a time extension to do so. I think that Ms D has had sufficient time to make substantive further submissions if she had wished to. So, I am proceeding to my final 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.

Given that there's no new information for me to consider following my provisional decision, I have no reason to depart from those findings. And as I've already set out my full reasons for not upholding Ms D's complaint, I have nothing further to add.

### **My final decision**

For the reasons set out, I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms D to accept or reject my decision before 9 August 2022.

Douglas Sayers  
**Ombudsman**