

The complaint

Ms Y complains that NewDay Ltd trading as Marbles Card ('NewDay') irresponsibly gave her a credit card account that she couldn't afford.

What happened

On 1 July 2016, Ms Y applied for a credit account with NewDay. She was given an initial credit limit of £300. The credit limit was increased five times to £4,000 on 12 April 2018.

On 11 October 2021, Ms Y 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 increasing her credit limits.

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

I issued my provisional decision in respect of this complaint on 5 July 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 Y'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.

Our adjudicator's assessment provided a detailed account of all the increases of credit and they are summarised above. Neither party has called the specifics into question, so, I don't intend to cover them off here.

Ms Y's complaint is that NewDay made credit available that was unaffordable. NewDay has explained that it carried out a credit check using a credit reference agency to determine the amount of credit it was able to offer and to consider this in association with Ms Y's management of her account in making further lending decisions about credit limit increases. It's possible that NewDay failed to make adequate checks before providing Ms Y with credit. But even if that's true, I don't think better enquiries would have caused NewDay to think the initial credit limits or the credit increases were unaffordable.

I say this because the initial credit limit was modest and the minimum monthly payments for that credit were also relatively modest. From the evidence submitted, there were no

payment issues in the life of this account through all of the increases to the credit limit. Overall, I have placed more weight on this matter than our adjudicator did; that the account was well managed throughout. And it was many months (over two and a half years to be clearer) after the last credit limit increase that Ms Y contacted NewDay about financial difficulties. I've seen no evidence that NewDay failed to treat Ms Y with forbearance when she did.

I have also noted the bank statements that Ms Y has provided. I have considered that there was a lot of transactions on the account that Ms Y showed us, including transfers with family members. But overall, the statements show that Ms Y was managing her bank account well. There was more money coming in than was going out and the balances were largely all positive.

So, having considered all the submissions made in this case, and in the absence of any extra evidence from Ms Y 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 Y was unreasonable. Further, I'm not persuaded that the way Ms Y 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 Y will be disappointed with my decision, but I want Ms Y to know that I considered all the submissions made in this case. But having considered all the submissions in this case, particularly those at the time of the credit and the credit increases, 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 19 July 2022. NewDay have not acknowledged receiving the decision and have not made a further submission to make in this case or made a request for a time extension to do so. I think that NewDay has had sufficient time to make substantive further submissions if they had wished to.

Ms Y has acknowledged receiving the decision and has made her further submission. 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.

Ms Y has said that her account was only being balanced by payments from her husband. But the point is, that Ms Y was managing her account. Ms Y and her husband were working together to manage their finances. And that, in my mind, is not evidence of financial difficulties that would have put NewDay off providing lending to Ms Y. And this was something I'd already considered before issuing my provisional decision.

Beyond the submission from Ms Y, I have received no new information for me to consider following my provisional decision. So, I have no reason to depart from those provisional findings. And as I've already set out my full reasons for not upholding Ms Y'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 Mrs Y to accept or

reject my decision before 17 August 2022.

Douglas Sayers
Ombudsman