

The complaint

Mr W complains that NewDay Ltd trading as Marbles ('NewDay') irresponsibly gave him a running account credit facility that he couldn't afford.

What happened

On 16 June 2015, Mr W applied for and was given a credit card account with NewDay.

In 2021, Mr W complained to NewDay to say that the account 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.

For reasons covered by the adjudicator, this complaint is focused on the increase to the credit limit on this credit card in June 2016. Our adjudicator recommended 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 19 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 Mr W's complaint. I set out an extract below:

"What I've provisionally 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 W'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. It's possible that NewDay failed to make adequate checks before providing Mr W 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 the initial credit limit and credit increase were modest and the minimum monthly payments for that credit were also relatively modest. From the evidence submitted, before June 2016 when the credit limit increased, there were no payment issues in the life of this account. And looking at the credit report that has been submitted, before June 2016 there were no issues in the way Mr W had been managing any of his

other accounts. Overall, I have placed more weight on this matter than our adjudicator did; that the account was well managed.

So, having considered all the submissions made in this case, and in the absence of any extra evidence from Mr W to the contrary, I have seen insufficient evidence to think that a more thorough affordability check would have led NewDay to think that the credit it provided Mr W in 2016 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 W will be disappointed with my decision. But I want Mr W 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 16 August 2022. Mr W's representatives have acknowledged receiving the provisional decision. But, at the time of writing, neither NewDay nor Mr W have made any further submission or asked for an extension to do so. I think that both parties have had sufficient time to make substantive further submissions if they 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.

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.

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 Mr W'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 Mr W to accept or reject my decision before 16 September 2022.

Douglas Sayers
Ombudsman