

## **The complaint**

Mr B complains that NewDay Ltd trading as Marbles Card lent to him irresponsibly.

## **What happened**

In April 2019 Mr B applied for a credit card. Marbles approved the application and gave Mr B a card with an initial credit limit of £1200. The credit limit was increased to £2700 in September 2019, to £3500 in February 2020 and to £4250 in November 2021.

Mr B complained that the lending was irresponsible.

Marbles didn't uphold the complaint. It said it had carried out proportionate checks before lending to Mr B.

Mr B remained unhappy and complained to this service.

Our investigator didn't uphold the complaint. They said that Marbles had carried out reasonable and proportionate checks and that the lending decision was fair.

Mr B didn't agree so I've been asked to make a 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.

We've set out our approach to complaints about irresponsible and unaffordable lending on our website. I've had this approach in mind when considering Mr B's complaint.

Before agreeing to lend, Marbles needed to carry out reasonable and proportionate checks to ensure that Mr B could sustainably repay what was being lent to him. There's no set list of checks that a lender has to carry out. But lenders must have regard to things like the amount being lent, the total amount repayable, the monthly repayments and the consumers individual circumstances when deciding what's reasonable and proportionate.

### Account opening

When Mr B applied for the card, he declared annual income of £12,400. Marbles carried out a credit search and found that Mr B had unsecured debt of around £5300. There was no adverse information on his credit file other than a historic CCJ.

Mr B's income was relatively low in relation to the credit limit, so I think it would've been proportionate for Marbles to carry out further checks to verify Mr B's income and expenditure.

This service asked Mr B to provide information about his financial circumstances at the time of the application, in order to see what these checks might have shown. Mr B hasn't provided enough information for me to determine whether the lending decision was fair.

Because of the lack of information, I'm unable to say that the lending decision was unfair.

#### Credit limit increase to £2700

Marbles carried out a credit search and found that Mr B had unsecured debt of around £6100, about 50% of which was revolving debt. There was no adverse information on his credit file other than a historic CCJ.

Marbles also looked at how Mr B was managing the account. All of his payment were up to date. There had been no late payments and Mr B regularly paid more than the minimum monthly payment. Mr B hadn't exceeded the credit limit and had utilised only around 50% of the available credit limit.

Based on what I've seen, I think Marbles carried out reasonable and proportionate checks before increasing the credit limit. I'm satisfied that the lending decision was fair because there was nothing in the information gathered which suggested that Mr B wasn't likely to be able to sustainably repay the lending.

#### Credit limit increase to £3500

Marbles carried out a credit search and found that Mr B had unsecured debt of around £5100, about £3150 of which was revolving debt. There was no adverse information on his credit file other than a historic CCJ.

Marbles also looked at how Mr B was managing the account. All of his payment were up to date. There had been no late payments and Mr B regularly paid more than the minimum monthly payment. Mr B hadn't exceeded the credit limit and had utilised only around £1700 of the available credit limit.

Based on what I've seen, I think Marbles carried out reasonable and proportionate checks before increasing the credit limit. I'm satisfied that the lending decision was fair because there was nothing in the information gathered which suggested that Mr B wasn't likely to be able to sustainably repay the lending.

#### Credit limit increase to £4250

Marbles carried out a credit search and found that Mr B had unsecured debt of around £7100, about £5300 of which was revolving debt. There was no adverse information on his credit file other than a historic CCJ.

Marbles also looked at how Mr B was managing the account. All of his payment were up to date. There had been no late payments and Mr B regularly paid more than the minimum monthly payment. Mr B hadn't exceeded the credit limit and had utilised only around £1400 of the available credit limit.

Because Mr B's unsecured debt had increased significantly, I think it would've been proportionate for Marbles to carry out further checks.

This service asked Mr B to provide information about his financial circumstances at the time in order to see what further checks would've shown. Mr B hasn't provided enough information for me to determine whether the lending decision was fair. Because of the lack of information I'm unable to conclude that the lending decision was unfair.

For the reasons I've given I don't think Marbles lent irresponsibly.

**My final decision**

My final decision is that I don't uphold the complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr B to accept or reject my decision before 3 August 2023.

Emma Davy  
**Ombudsman**