

The complaint

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

What happened

Mr P applied for a credit card with Marbles in March 2021. Marbles gave him a credit card with a credit limit of £450. The credit limit was increased to £1200 in July 2021, to £1950 in November 2021 and to £2950 in March 2022.

Mr P complained that Marbles had lent to him irresponsibly.

I issued a provisional decision in which I explained why I wasn't upholding the complaint. I said that I was satisfied that Marbles had carried out reasonable and proportionate checks when it opened the account and that the lending decision was fair. I looked at the checks that Marbles had carried out each time the credit limit was increased and found that these were reasonable and proportionate. I said that I couldn't see anything in the information gathered from the checks to suggest Mr P wasn't likely to be able to sustainably repay the credit.

I reviewed the information that Marbles obtained from the credit check when the credit limit was increased from £1950 to £2950 in March 2022. The credit data showed an entry under "financial difficulty" in the month prior to the credit limit increase. This service asked Marbles for an explanation of that entry. Marbles said that Mr P had exceeded the credit limit on the account the month prior to the credit limit increase and had incurred a fee of £12 for doing so. Marbles said that otherwise the account had been well managed, and all payments were up to date.

I said that I could see from the credit check carried out at this time that Mr P's unsecured debt had increased to around £16,000. I noted that this was a significant increase from before and said it would have been proportionate for Marbles to have carried out further checks to verify Mr P's income and expenditure.

Mr P told this service that his income for the year 2021/22 was around £48,000 and that this reduced to around £26,000 in 2022/23. He says his expenditure on rent and child support meant that he was struggling to repay his debts.

I said that in order to see what reasonable and proportionate checks would've shown, I would need to see evidence of Mr P's income and expenditure for the period leading up to the credit limit increase. I suggested that bank statements would be a reasonable way of obtaining this information. This service asked for bank statements, but Mr P hasn't provided these. Because of this, I wasn't able to see what reasonable and proportionate checks would've shown and therefore, I couldn't conclude that Marbles had made an unfair lending decision when it increased the credit limit in March 2022.

I invited both parties to let me have any further evidence or arguments they wished to raise. Neither party responded.

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.

Neither party has responded to my provisional decision. I haven't seen anything which persuaded me to reach a different decision to that which I set out in my provisional decision.

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 P to accept or reject my decision before 31 August 2023.

Emma Davy
Ombudsman