

## **The complaint**

Miss K says NewDay Ltd, trading as Marbles, irresponsibly lent to her.

## **What happened**

Miss K applied for a credit card in June 2020. It was approved with a limit of £900. Miss K says NewDay should never have lent to her. She had lots of other debt and defaults. Also, when she tried to complain it was difficult to contact NewDay and her complaint was never acknowledged. Infact, NewDay had sent the acknowledgement to an old address. The final response letter went to the correct address.

Miss K says this has all caused her a lot of stress and she has fallen into further into debt.

NewDay says its lending was responsible. It apologised for using the wrong address when Miss K complained and paid £85 compensation for this error. Furthermore, as a gesture of goodwill it refunded all interest and charges applied to Miss K's credit card account.

Our investigator did not uphold Miss K's complaint. In summary, he said NewDay carried out proportionate checks and there were no signs the credit would be unaffordable for Miss K.

Miss K disagreed with this outcome and asked for an ombudsman's review.

## **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.

Our approach to unaffordable/irresponsible lending - including all the relevant rules, guidance and good industry practice - is set out on our website and I have followed it here.

NewDay is required to lend responsibly. It needed to conduct checks to make sure that the credit card it was giving to Miss K was affordable and sustainable. Such checks need to be proportionate to things like the credit limit it offered Miss K, how much she had to repay (including interest and charges) each month, her borrowing history with it and what it knew about her circumstances. But there is no set list of checks it had to do.

This means to reach my decision I need to consider if NewDay carried out proportionate checks at the time of Miss K's card application; if so, did it make a fair lending decision based on the results of its checks; and if not, what better checks would most likely have shown.

When Miss K applied for the credit card NewDay asked about her gross annual income and her employment and residential status. It carried out a credit check to understand her credit history and existing credit commitments. NewDay has shared the results of these checks. They show that Miss K declared an annual income of £30,000 and that she had £5,400 of unsecured debt across four active accounts that were all up-to-date. I can see, as she says, that she had defaulted on a number of accounts before, but the most recent default was 38 months ago so I wouldn't see that as a reason to decline Miss K's application give she had

no arrears on her active credit accounts, and the adverse data was historic.

So in the round I think these checks were proportionate for the £900 credit line offered to Miss K, and it was fair of NewDay to lend.

It follows I do not find NewDay lent irresponsible to Miss K.

Miss K was also unhappy with how NewDay managed her complaint. But this is not something I can look at. There is a difference between a complaint about a financial service and a complaint about how a firm has handled a complaint. I can only look at the former. Miss K's concerns about how NewDay responded to her complaint is not a complaint about its provision of or failure to provide a financial service – it's distinctly about complaint handling. And under our rules I cannot consider complaint handling.

As the investigator said if Miss K wishes to report a potential data breach she should contact the Information Commissioner's Office ([www.ico.org.uk](http://www.ico.org.uk)).

### **My final decision**

I am not upholding Miss K's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss K to accept or reject my decision before 11 December 2023.

Rebecca Connelley  
**Ombudsman**