

The complaint

Miss C complains that NewDay Ltd trading as Marbles irresponsibly lent to her.

What happened

Miss C was approved for a Marbles credit card with a £900 credit limit. Miss C says this was irresponsibly lent to her. Miss C made a complaint to Marbles.

Marbles did not uphold Miss C's complaint. Miss C brought her complaint to our service. Our investigator did not uphold Miss C's complaint. He said Marbles looked at Miss C's credit file and saw that she was managing her debts well and she had not missed any payments recently. Our investigator said the information Miss C provided didn't suggest that a credit card would be unaffordable for her. Miss C asked for an ombudsman to review her complaint.

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.

Before agreeing to approve the credit available to Miss C, Marbles needed to make proportionate checks to determine whether the credit was affordable and sustainable for her. There's no prescribed list of checks a lender should make. But the kind of things I expect lenders to consider include - but are not limited to: the type and amount of credit, the borrower's income and credit history, the amount and frequency of repayments, as well as the consumer's personal circumstances. I've listed below what checks Marbles have done and whether I'm persuaded these checks were proportionate.

Marbles said they looked at information provided by Credit Reference Agencies (CRA's) and information that Miss C had provided before approving her application. The information showed that Miss C had declared a gross annual income of £30,000 which Marbles calculated this to be a net monthly income of £2,093.30.

The checks showed Miss C had unsecured debt of around £7,527. But the CRA showed that Miss C had previously defaulted on at least one credit agreement 66 months prior to her Marbles application.

It may help to explain here that, while information like a default on someone's credit file may often mean they're not granted further credit – it doesn't automatically mean that a lender won't offer borrowing. So I've looked at what else Marbles information showed them, to see if they made a fair lending decision to accept Miss C's application.

The information from the CRA showed that Miss C had not been in arrears in the six months prior to her application. The checks showed she had not entered into any repayment plans on any of her active accounts, she had no County Court Judgements being reported by the CRA, and she had no payday loans.

Marbles also used industry standard modelling calculations to calculate Miss C's monthly housing costs and her monthly cost of living outgoings. They were also aware based on the information from the CRA of Miss C's monthly credit commitments, and they calculated Miss C had enough disposable income to comfortably meet her repayments for a credit limit of £900.

So I'm satisfied that the checks Marbles carried out here, prior to approving the initial £900 credit limit were proportionate and that Marbles made a fair lending decision to approve Miss C's application for the Marbles account. There were no obvious signs of Miss C having any financial difficulty prior to the lending, as she appeared to be managing her active accounts well, with no recent arrears, they would not have any legitimate reason to doubt the income Miss C told them based on what the checks showed, and it would not appear from the information from the CRA that Miss C had more outgoings than income.

I've also considered whether the relationship might have been unfair under s.140A of the Consumer Credit Act 1974. However, for the reasons I've already given, I can't conclude that Marbles lent irresponsibly to Miss C or otherwise treated her unfairly in relation to this matter. I haven't seen anything to suggest that Section 140A would, given the facts of this complaint, lead to a different outcome here. So it follows I don't require Marbles to do anything further.

My final decision

I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss C to accept or reject my decision before 27 January 2025.

Gregory Sloanes
Ombudsman