

The complaint

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

Mr J is represented by a claims management company in bringing this complaint. But for ease of reading, I'll refer to any submission and comments they have made as being made by Mr J himself.

What happened

Mr J was approved for a Marbles credit card, in June 2018 (which I will refer to as A in this decision) with a £300 credit limit. Mr J was approved for another Marbles credit card in January 2022 (which I will refer to as B in this decision) with a £600 credit limit. I have detailed the credit limit changes below for B:

May 2022	£600 to £1,600
November 2023	£1,600 to £2,400
March 2024	£2,400 to £3,150

Mr J says that Marbles irresponsibly lent to him. Mr J made a complaint to Marbles, who partially upheld his complaint for B, but not for A. They said they would uphold his complaint from the May 2022 credit limit increase to £1,600. Marbles refunded fees and proportionate interest which had been charged on his account from May 2024. As there was a balance remaining on this account, they said Mr J should contact them when the balance is fully repaid so they could amend his credit file (from the May 2022 credit limit increase). Mr J brought his complaint to our service.

Our investigator did not uphold Mr J's complaint. She said that Marbles account opening checks for both A and B were proportionate and fair lending decisions were made for these. Mr J asked for an ombudsman to review his 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 or increase the credit available to Mr J, Marbles needed to make proportionate checks to determine whether the credit was affordable and sustainable for him. 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.

Acceptance for the Marbles credit card A - initial credit limit (£300)

I've looked at what checks Marbles said they did when initially approving Mr J's application. I'll address the application for B and the credit limit increases for B later on. Marbles said

they looked at information provided by Credit Reference Agencies (CRA's) and information that Mr J had provided before approving his application.

The information showed that Mr J had no adverse information being reported by the CRA, such as no recent late payments, no defaults, and no County Court Judgements (CCJ's). He declared a gross annual income of £26,000. The information showed Mr J had a debt to annual income ratio of 26.02%, which would equate to him having unsecured debt of around £6,765.

Marbles used a mixture of information from the CRA (including how much he was paying a month for his credit commitments) and modelling to assess Mr J's outgoings, and they concluded that he would have a sufficient disposable income in order to make repayments sustainably for a credit limit of £300. The £300 credit limit would have been slightly over 1% of Mr J's gross annual income.

I'm persuaded that Marbles' checks were proportionate here, and they made a fair lending decision to approve Mr J's application, and to provide him with a £300 credit limit.

Acceptance for the Marbles credit card B - initial credit limit (£600)

I've looked at what checks Marbles said they did when initially approving Mr J's application for B. Marbles said they looked at information provided by CRA's and information that Mr J had provided before approving his application.

The information showed that Mr J had no adverse information being reported by the CRA, such as no recent late payments, no defaults, and no CCJ's. He declared a gross annual income of £35,000. The information showed Mr J had a debt to annual income ratio of 18.42%, which would equate to him having unsecured debt of around £6,447. So Mr J's unsecured debt was lower than when Marbles completed the account opening checks for A.

Marbles used a mixture of information from the CRA (including how much he was paying a month for his credit commitments) and modelling to assess Mr J's outgoings, and they concluded that he would have a sufficient disposable income in order to make repayments sustainably for a credit limit of £600. The £600 credit limit would have been slightly less than 2% of Mr J's gross annual income.

I'm persuaded that Marbles' checks were proportionate here, and they made a fair lending decision to approve Mr J's application, and to provide him with a £600 credit limit.

Further credit increases on B

As Marbles have already upheld Mr J's complaint from the May 2022 lending decision on B then I have not assessed this lending decision or the lending decisions after this date. Instead I have considered if the redress Marbles paid was fair.

I'm satisfied that the redress was fair as it is broadly in line with what I would have asked Marbles to pay if they didn't uphold Mr J's complaint, and if I did uphold it from the same point. But if Mr J has any financial difficulties in meeting his repayments, then I would urge him to contact Marbles to see if they can offer him an affordable repayment plan.

I've also considered whether the relationship might have been unfair under s.140A of the Consumer Credit Act 1974. However, I'm satisfied the redress Marbles have already paid results in fair compensation for Mr J in the circumstances of his complaint. I'm satisfied, based on what I've seen, that no additional award would be appropriate in this case.

My final decision

I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr J to accept or reject my decision before 11 March 2025.

Gregory Sloanes
Ombudsman