

## The complaint

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

Miss M 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 Miss M herself.

## What happened

Miss M was approved for a Marbles credit card in August 2015 with a £300 credit limit. I have detailed the credit limit changes below:

November 2015	£300 to £1,100
March 2017	£1,100 to £1,700
December 2019	£1,700 to £1,550
June 2020	£1,550 to £1,900
December 2020	£1,900 to £2,500
June 2022	£2,500 to £4,000
June 2023	£4,000 to £3,700
August 2023	£3,700 to £3,850

Miss M says that Marbles irresponsibly lent to her. Miss M made a complaint to Marbles, who did not uphold her complaint. Marbles said their checks were proportionate. Miss M brought her complaint to our service.

Our investigator did not uphold Miss M's complaint. He said that Marbles' checks were proportionate and they made fair lending decisions. Miss M asked for an ombudsman to review her complaint. She forwarded our service some of her bank statements.

## 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 Miss M, 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.

### *Acceptance for the Marbles credit card*

I've looked at what checks Marbles said they did when initially approving Miss M's application. I'll address the credit limit increases later on. Marbles said they looked at

information provided by Credit Reference Agencies (CRA's) and information that Miss M had provided before approving her application.

Miss M declared a gross annual income of £34,000. But the information from a CRA did show defaults being registered on her credit file. The checks showed the last default was registered 28 months prior to the application checks.

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 – they don't automatically mean that a lender won't offer borrowing. So I've looked at what Marbles other checks showed to see if they made a fair lending decision here.

None of Miss M's active accounts were in arrears at the time of the checks, and none of her active accounts had been in arrears in the previous six months. There were no County Court Judgements (CCJ's) being reported by the CRA Marbles used. The information showed Miss M had a debt to annual income ratio of 4.35%, which would equate to her having unsecured debt of around £1,479.

Marbles used a mixture of information from the CRA and modelling to assess Miss M's outgoings, and they concluded that she would have a sufficient disposable income in order to make repayments sustainably for a credit limit of £300.

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

#### *November 2015 credit limit increase - £300 to £1,100*

I've looked at what checks Marbles did when they increased Miss M's credit limit to see if they made a fair lending decision here. Due to the time that's passed information is limited.

Marbles will have also been able to see how Miss M managed her account since it was opened, and they would have seen she incurred no late or overlimit fees. Miss M made a repayment which was a lot higher than her minimum repayment which could suggest she could sustainably afford repayments for a higher credit limit.

So based on the information available, I'm persuaded that Marbles' checks were proportionate here, and they made a fair lending decision to approve the credit limit increase.

#### *March 2017 credit limit increase - £1,100 to £1,700*

The CRA showed that Miss M's unsecured borrowings had increased since the account opening checks to £7,334. Since the last lending decision the CRA had reported that Miss M had been in arrears a number of times on an external account, sometimes by as many as three months in arrears. Miss M also took out at least one payday loan since the last lending decision.

Miss M incurred one late fee and three overlimit fees since the last time her credit limit was increased. So based on the frequent arrears, the payday loan, and her late/overlimit fees incurred, these could all be signs of Miss M experiencing financial difficulty. So I'm persuaded that Marbles should have completed further checks to ensure the credit limit increase would be affordable and sustainable for her.

There's no set way of how Marbles should have made further proportionate checks. One of the things they could have done was to contact Miss M to find out why she had constant

arrears and why she needed to take out a payday loan. Or they could have asked for her bank statements as part of a proportionate check to ensure the lending was sustainable and affordable for her.

So I asked Miss M to provide her bank statements for the three months leading up to this lending decision, which Marbles could have requested as part of a proportionate check. But Miss M did not provide these, even though I extended the deadline for her.

So on the face of it, it does look like Marbles should've looked more closely into this. But as my role is impartial, that means I have to be fair to both sides and although I'm satisfied that Marbles should've done more checks here – I can't say whether further checks would've revealed further information which means they wouldn't have lent. So as Miss M hasn't provided me with the information I asked for, that means that it wouldn't be fair for me to say that Marbles shouldn't have lent here, because I don't know what further checks would reveal.

#### *June 2020 credit limit increase - £1,550 to £1,900*

Miss M's credit limit had been decreased to £1,550 prior to this lending decision. I've looked at what checks Marbles did when they increased Miss M's credit limit to see if they made a fair lending decision here. The CRA showed that Miss M's unsecured borrowings had substantially increased since her credit limit was last increased, as her active unsecured debt was showing as £27,424 at the time of these checks.

Since the last credit limit increase Marbles had information from another CRA that they didn't have access to at the last credit limit increase to £1,700, that Miss M had a CCJ registered on her credit file with that CRA.

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 – they don't automatically mean that a lender won't offer borrowing. So I've looked at what Marbles other checks showed to see if they made a fair lending decision here.

By the time the credit limit was increased to £1,900, some time had passed since the CRA reported the CCJ. But the CRA's again reported that Miss M had been in arrears a number of times on an external account, and again by as many as three months in arrears since the last credit limit increase. Even after her credit limit had decreased she was in arrears by a month on an external account before this lending decision.

Miss M incurred one late fee and two overlimit fees since the last credit limit increase. So based on the frequent arrears, the increase to her unsecured debt, and her late/overlimit fees incurred, these could all be signs of Miss M experiencing financial difficulty. So I'm persuaded that Marbles should have completed further checks to ensure the credit limit increase would be affordable and sustainable for her. I asked Miss M to provide her bank statements for the three months leading up to this lending decision. But Miss M did not provide these, even though I extended the deadline for her.

So on the face of it, it does look like Marbles should've looked more closely into this. But as my role is impartial, that means I have to be fair to both sides and although I'm satisfied that Marbles should've done more checks here – I can't say whether further checks would've revealed further information which means they wouldn't have lent. So as Miss M hasn't provided me with the information I asked for, that means that it wouldn't be fair for me to say that Marbles shouldn't have lent here, because I don't know what further checks would reveal.

*December 2020 credit limit increase - £1,900 to £2,500*

I've looked at what checks Marbles did as part of this lending decision. The CRA showed that Miss M's unsecured borrowings had increased since her credit limit was last increased as her active unsecured debt was showing as £27,924 at the time of these checks.

There were no accounts in arrears since the last lending decision. And Miss M did not incur any late or overlimit fees since the last lending decision. Marbles used a mixture of information from the CRA and modelling to assess Miss M's outgoings, and they concluded that she would have a sufficient disposable income in order to make repayments sustainably for a credit limit of £2,500.

I'm persuaded that Marbles' checks were proportionate here, and they made a fair lending decision to approve Miss M's application, and to provide her with a £2,500 credit limit.

*June 2022 credit limit increase - £2,500 to £4,000*

I've looked at what checks Marbles did when they increased Miss M's credit limit to see if they made a fair lending decision here. The CRA showed that Miss M's unsecured borrowings had increased since her credit limit was last increased as her active unsecured debt was showing as £29,647 at the time of these checks.

The CRA's reported that Miss M had been in arrears a number of times on an external account, since the last credit limit increase. She also had three accounts on repayment plans between the checks for the last lending decision and this lending decision. A repayment plan usually occurs when a borrower can't afford to repay at least their contractual payments and a lender agrees for the borrower to repay a lower amount for a period of time.

So I'm persuaded that Marbles should have completed further checks to ensure the credit limit increase would be affordable and sustainable for her. Miss M has provided some of her bank statements leading up to this lending decision. Miss M has a £2,000 arranged overdraft which she occasionally goes close to the limit. But she did not exceed her overdraft in any of the three month period I looked at and she had no returned direct debits.

There were a number of transfers going to and from this account. So I asked Miss M if she could provide any other statements for accounts she had over the same three month period, so I could get a more complete picture of her financial circumstances leading up to this lending decision, which is something I'm persuaded that Marbles would have asked her for if they would have requested her bank statements. But Miss M did not provide her other statements by the deadline I gave her, even though I extended this for her.

So on the face of it, it does look like Marbles should've looked more closely into this. But as my role is impartial, that means I have to be fair to both sides and although I'm satisfied that Marbles should've done more checks here – I can't say whether further checks would've revealed further information which means they wouldn't have lent. So as Miss M hasn't provided me with all of the information I asked for, that means that it wouldn't be fair for me to say that Marbles shouldn't have lent here, because I don't know what further checks would reveal.

*August 2023 credit limit increase - £3,700 to £3,850*

Miss M's credit limit had been decreased to £3,700 prior to this lending decision. I've looked at what checks Marbles did when they increased Miss M's credit limit to see if they made a fair lending decision here. The CRA showed that Miss M's unsecured borrowings had substantially increased since her credit limit was last increased as her active unsecured debt

was showing as £57,262 at the time of these checks.

But Marbles had information from a CRA about how much Miss M's credit commitments were each month. They would be able to see that Miss M was not in arrears at the time of these lending checks. She incurred no overlimit or late fees since the last credit limit increase.

Miss M was not close to her credit limit on her Marbles account as she had repaid a substantial amount of the outstanding balance since the last credit limit increase. And at times she was repaying more than the minimum repayment, which I would not expect her to do if she was struggling financially. The credit limit increase was £150, which would equate to around a 4% increase.

So I'm persuaded that Marbles' checks were proportionate here, and they made a fair lending decision to increase the credit limit here.

### **My final decision**

I do not uphold this complaint.

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

Gregory Sloanes  
**Ombudsman**