

The complaint

Mr B complains that NewDay Ltd trading as Marbles (“NewDay”) lent him a credit card that wasn’t affordable for him.

What happened

In December 2020 Mr B applied for a credit card with NewDay. The application was approved, and he was provided with an initial limit of £900. This limit was never increased.

In 2024 Mr B complained to NewDay. He’s represented by a professional third party, but for ease of reference I’ll mostly refer to Mr B throughout. He said he felt he wasn’t assessed properly for the credit being provided and as a result it was unaffordable for him.

NewDay responded in November 2024 rejecting the complaint. They said when assessing affordability, they consider information from the application and information from Credit Reference Agencies (CRAs). Having done so, Mr B declared an annual income of £52,000, had no payday loans, had no County Court Judgements (CCJs) and wasn’t in any reportable repayment arrangements at the time.

Therefore, NewDay were satisfied the checks were proportionate and the credit card was provided responsibly. Mr B didn’t agree, so the complaint was passed to our service. An Investigator here looked into things. They agreed with NewDay that the checks conducted were proportionate, and a fair decision to lend was made.

Mr B responded disagreeing that the figures used were accurate – he believes the mortgage figure NewDay used was significantly lower than the actual amount being paid. And reiterated there were late payments and a 13 month old default on his credit file at the time.

Because an agreement couldn’t be reached, the complaint has been passed to me to decide.

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.

Having done so, I’m in agreement with the Investigator that NewDay’s checks were proportionate, and a fair decision to lend was made. I appreciate this will be disappointing for Mr B, but I’ll explain my reasoning in more detail below.

The rules and regulations in place at the time NewDay provided Mr B with the credit card required them to carry out a reasonable and proportionate assessment of whether he could afford to repay what he owed in a sustainable manner. This is sometimes referred to as an ‘affordability assessment’ or ‘affordability check’.

The checks had to be ‘borrower’ focused. This means NewDay had to think about whether repaying the credit sustainably would cause difficulties or adverse consequences for Mr B. In

other words, it wasn't enough for NewDay to consider the likelihood of them getting the funds back or whether Mr B's circumstances met their lending criteria – they had to consider if Mr B could sustainably repay the lending being provided to him.

Checks also had to be 'proportionate' to the specific circumstances of the lending. In general, what constitutes a proportionate affordability check will be dependent on a number of factors including – but not limited to – the particular circumstances of the consumer (e.g. their financial history, current situation and outlook, any indications of vulnerability or financial difficulty) and the amount/type/cost of credit they were seeking. I've kept all of this in mind when thinking about whether NewDay did what was needed before lending to Mr B.

At the point of application, NewDay used both the information declared to them from Mr B and the information gathered from the CRAs. It did show there was a default 13 months ago and a missed or late payment within the past six months. There were no formal repayment arrangements – by this I mean, there were no payment arrangements that were being reported to the CRAs at the time of application.

He'd declared an annual income of £52,000, equating to around £2,700 per month. His monthly credit commitments were around £730 per month, and the figure used by NewDay regarding his monthly mortgage repayment was £588.

I believe the checks NewDay carried out were proportionate, and considering the amount being provided to Mr B, and the information they gathered in these checks, I don't think they acted unfairly when providing Mr B with the credit card. I say this because it was for a relatively modest amount of £900, and although there were some signs of financial difficulty in the past, everything in recent months had been much improved. It wouldn't be a significant cost for Mr B to repay this credit in a reasonable period of time based on his salary and existing credit commitments.

I've thought about what Mr B has said regarding his actual mortgage repayment – despite the CRA data showing differently to NewDay – and I think even if they had used the figure of around £1,300 per month, the card would still have been deemed affordable. So while I appreciate Mr B's frustration on this point, overall I don't think it would've made a difference to the decision to lend.

Mr B has said he had an overdraft account that was in recovery at the time, however there's no evidence of this from the data from the CRA. So while I'm not disputing Mr B may have been facing financial difficulties, my role is to assess whether that's something NewDay should've been aware of at the time of lending, and based on the checks they carried out, I don't think they were.

In reaching my conclusions, I've also considered whether the lending relationship between NewDay and Mr B might have been unfair to Mr B under s140A of the Consumer Credit Act 1974 ("CCA"). However, for the reasons I've already explained, I'm satisfied that NewDay did not lend irresponsibly when providing Mr B with the credit card. And I haven't seen anything to suggest that s140A CCA would, given the facts of this complaint, lead to a different outcome here.

So while it'll likely come as a disappointment to Mr B, I won't be upholding his complaint against NewDay for the reasons explained above.

My final decision

It's my final decision that NewDay Ltd trading as Marbles weren't unfair when deciding to

lend to Mr B.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr B to accept or reject my decision before 18 July 2025.

Meg Raymond
Ombudsman