

## **The complaint**

Miss S complains that NewDay Ltd trading as Marbles lent irresponsibly when it approved her credit card application.

## **What happened**

Miss S applied for a credit card with Marbles in February 2023. In her application, Miss S said she was employed with an income of £33,200 a year that Marbles calculated left her with around £2,285 a month after deductions. Marbles carried out a credit search and found Miss S owed around £23,000 to other lenders with monthly repayments of £626. No missed payments in the previous six months were found. Marbles found three defaults on Miss S' credit file, the newest of which was 14 months old at the time she applied. No other adverse credit was found. Marbles applied estimates for Miss S' rent of £277 and general living expenses of £493 a month. When Marbles applied its lending criteria it says Miss S had an estimated disposable income of £887 a month. Marbles approved the application and issued a credit card with a limit of £900.

Miss S didn't use her credit card until May 2023 when she carried out a money transfer and took a cash advance. Miss S repaid the outstanding balance in December 2023 and the account was closed a short time later.

Last year, representatives acting on Miss S' behalf complained that Marbles lent irresponsibly and it issued a final response. Marbles said it had carried out the relevant lending checks before approving Miss S' application and didn't agree it lent irresponsibly. An investigator at this service looked at Miss S' complaint. They thought Marbles had completed reasonable and proportionate checks before approving Miss S' application and that its decision to lend was fair in light of the information it obtained. Miss S' representatives asked to appeal so her complaint has been passed to me to make a decision.

## **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 lend, the rules say Marbles had to complete reasonable and proportionate checks to ensure Miss S could afford to repay the debt in a sustainable way. These affordability checks needed to be focused on the borrower's circumstances. The nature of what's considered reasonable and proportionate will vary depending on various factors like:

- The amount of credit;
- The total sum repayable and the size of regular repayments;
- The duration of the agreement;
- The costs of the credit; and
- The consumer's individual circumstances.

That means there's no set list of checks a lender must complete. But lenders are required to consider the above points when deciding what's reasonable and proportionate. Lenders may choose to verify a borrower's income or obtain a more detailed picture of their circumstances by reviewing bank statements for example. More information about how we consider irresponsible lending complaints can be found on our website.

I can see that when Miss S applied Marbles carried out a credit search and found she had a reasonably high amount of other credit already in place. But I think it's fair to note that the full credit file provided by Miss S' representatives show the majority of her outstanding credit related to a hire purchase agreement that with monthly repayments of £363 which was up to date. The credit file data obtained by Marbles confirmed no missed payments in the previous six months. And whilst I can see Miss S had defaulted some accounts, her credit file shows the most recent was recorded 14 months before her application and I'm satisfied Marbles took them into account when applying its lending criteria. I can see that, in response to the investigator, Miss S' representatives asked about the missed payments recorded on her credit file when Marbles reviewed it. As our investigator said, the lending data confirmed no missed payments in the preceding six months. I've looked at the more detailed full credit report provided by Miss S' representatives and saw a late payment from April 2022 to a mobile phone provider, I didn't see any other missed payments in the previous year.

I accept the level of unsecured debts Miss S had at the time of her application was reasonably high when compared against her income. But, as noted above, I'm satisfied Miss S' credit file showed she was up to date with her existing commitments and the information didn't indicate she was experiencing financial difficulties.

Marbles used estimates for Miss S' regular outgoings for her housing costs and general living expenses totalling £770, an approach it's allowed to take under the lending rules. I think the figures used were reasonable. When Marbles applied Miss S' outgoings and credit commitments against her income it calculated she had an estimated disposable income of £887 a month. I think it's reasonable to note the credit limit Marbles approved was £900 which would indicate Miss S had capacity to repay the outstanding balance reasonably quickly if she needed to. In my view, the nature and level of checks completed by Marbles were reasonable and proportionate to the credit limit of £900 it went on to apply. And I'm satisfied the decision to approve Miss S' application based on the information Marbles obtained was fair. I'm very sorry to disappoint Miss S but I haven't been persuaded that Marbles lent irresponsibly.

I've considered whether the business acted unfairly or unreasonably in any other way including whether the relationship might have been unfair under Section 140A of the Consumer Credit Act 1974. However, for the reasons I've already given, I don't think Marbles lent irresponsibly to Miss S or otherwise treated her unfairly. I haven't seen anything to suggest that Section 140A or anything else would, given the facts of this complaint, lead to a different outcome here.

### **My final decision**

My decision is that I don't uphold Miss S' complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss S to accept or reject my decision before 30 April 2025.

Marco Manente  
**Ombudsman**