

## The complaint

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

## What happened

In May 2022 Mr G applied for a credit card with NewDay. NewDay approved the application and gave Mr G a credit card with a credit limit of £900.

Mr G complained that NewDay had lent to him irresponsibly. He said that if NewDay had carried out proportionate checks they would've seen that he had a large amount of other debt and that he was making minimum payments towards his other balances.

NewDay didn't uphold the complaint. It said it had carried out proportionate checks and that the lending decision was fair.

Mr G remained unhappy and brought his complaint to this service.

Our investigator didn't uphold the complaint. He said NewDay had completed reasonable and proportionate checks during the application process and that the decision to lend was fair.

Mr G didn't agree so I've been asked to review the 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.

Our approach to complaints about unaffordable and irresponsible lending including the relevant rules, guidance and good industry practice are set out on our website. I've used this approach to help determine Mr G's complaint.

Having carefully considered everything I've decided not to uphold Mr G's complaint. I'll explain why.

### Did NewDay carry out reasonable and proportionate checks to make sure that Mr G could repay the loan in a sustainable way?

NewDay needed to take reasonable steps to ensure that it didn't lend irresponsibly. In practice this means that it should've carried out proportionate checks to make sure Mr G could afford to repay what he was being lent in a sustainable manner. These checks could take into account a number of different things, such as how much was being lent, the repayment amount and the customer's income and expenditure.

Our website sets out what we typically think about when deciding whether a lender's checks were proportionate. Generally, we think it's reasonable for a lender's checks to be less thorough – in terms of how much information it gathers and what it does to verify it – in the early stages of a lending relationship.

But we might think a lender needed to more if, for example, a borrowers income was low, or the amount lent was high. And the longer a lending relationship goes on, the greater the risk of it becoming unsustainable and the borrower experiencing financial difficulty. So, we'd expect a lender to be able to show that it didn't continue to lend to a borrower irresponsibly

When he applied for the credit card, Mr G told NewDay that his annual salary was £67,600 with net monthly income of around £4,147.12. NewDay noted Mr G's living expenses as £538.35 per month with other credit commitments of £1,681.00 per month. NewDay calculated Mr G's monthly disposable income as £1927.27.

NewDay carried out a credit check as part of the application process. This showed one late payment within the last six months. There were no defaults or CCJ's.

Mr G had a significant income in relation to the amount of the credit. Taking this into account along with the information I've mentioned above, I think NewDay carried out reasonable and proportionate checks.

If the checks were reasonable and proportionate, was the lending decision fair?

I've thought about whether NewDay made a fair lending decision based on the information it had gathered and what it knew about Mr G's circumstances.

The income and expenditure assessment showed that Mr G's monthly income of £4417.12 covered his housing costs, household expenses and existing credit commitments. There was a significant amount of disposable income left each month which left enough to manage the credit card repayments without causing financial difficulties.

Mr G has said that he had a high level of other debt and that he was only making minimum payments towards this. I've thought about this, but I can see that during the credit check NewDay carried out a debt-to-income assessment and found the ratio to be 48%, which isn't outside of what would be considered acceptable. NewDay took Mr G's other credit commitments into account when it carried out the affordability assessment. I don't think it was necessary for NewDay to carry out further checks. I say this because NewDay is only required to make a reasonable lending decision with the information available to them at the time of the application. NewDay wouldn't have been aware that Mr G was only making minimum payments on his other credit commitments, only that the accounts were up to date. But even if NewDay had been aware that Mr G was making minimum payments, I think it's likely that they would still consider him to have been managing the accounts sustainably.

Based on everything I've seen, I think the checks carried out by NewDay were reasonable and proportionate and that the lending decision was fair.

I've considered whether NewDay acted unfairly or unreasonably in any other way, including whether its relationship with Mr G might have been unfair under section 140 of the Consumer Credit Act 1974.

However, for the reasons I've set out above, I haven't seen anything to suggest that this was the case.

### **My final decision**

My final decision is that I don't uphold the complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr G to accept or reject my decision before 29 July 2025.

Emma Davy  
**Ombudsman**