

The complaint

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

What happened

Miss K was approved for a Marbles credit card in May 2024 with a £900 credit limit. Miss K says this was irresponsibly lent to her. Miss K made a complaint to Marbles.

Marbles did not uphold Miss K's complaint as they said the account was provided responsibly to her. Miss K brought her complaint to our service. Our investigator did not uphold Miss K's complaint. She said Marbles made a fair lending decision.

Miss K asked for an ombudsman to review her complaint. She made a number of points. In summary, she said that Marbles recorded incorrect income for her, her credit file would have shown multiple defaults and existing debt, so they shouldn't have lent to her. Miss K says she previously had a Marbles credit card which defaulted, and she believed she only paid the outstanding balance the year prior to being accepted for the new Marbles credit card.

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 the credit available to Miss K, 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.

Marbles said they looked at information provided by Credit Reference Agencies (CRA's) and information that Miss K had provided before approving her application. The CRA showed that Miss K had previously defaulted on at least one credit agreement 18 months prior to her Marbles application.

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 – it doesn't automatically mean that a lender won't offer borrowing. So I've looked at what else Marbles information showed them, to see if they made a fair lending decision to accept Miss K's application.

The information showed that Miss K had declared a gross annual income of £380,000 which Marbles calculated this to be a net monthly income of £4,456.45. But the net monthly income would be inconsistent with the gross income, so I'm persuaded that Marbles should have made further checks to ensure they had Miss K's correct income, to ensure the affordability assessment they completed was accurate.

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 K to find out what her gross annual income or net monthly income actually was. Our investigator asked Miss K what her gross annual income was at the time she applied for the account and Miss K confirmed her gross annual income was £38,000. So it's possible she just made a typo when entering her gross annual income by adding an extra zero accidentally.

But if Marbles would have made further checks based on the inconsistency in their data, they would have been able to record Miss K's correct gross annual income, and to add this into the affordability assessment they completed.

Marbles also used modelling to calculate Miss K's monthly housing costs and her monthly cost of living outgoings. Marbles also included an expenditure for dependant costs. They were also aware based on the information from the CRA of Miss K's monthly credit commitments (so they were aware she had other active unsecured debt), and they calculated Miss K had enough disposable income to comfortably meet her repayments for a credit limit of £900.

Even with a reduced net monthly income to accurately reflect Miss K's actual net monthly income, it would appear Miss K had a sufficient disposable income to be able to meet repayments sustainably for a £900 credit limit.

The information from the CRA showed that Miss K had not been in arrears in the six months prior to her application. The checks showed she had not entered into any repayment plans on any of her active accounts, she had no County Court Judgements being reported by the CRA, and she had no payday loans.

Although Miss K has told us about her previous account activity with Marbles, while I'd expect Marbles to be aware of this, I wouldn't expect them to solely base their lending decisions on this. I say this because a borrowers financial situation can improve over time. Here, Miss K had no recent arrears in the last six months prior to the checks, so it would appear she was able to manage her active credit arrangements at the time of the checks.

So I'm persuaded that Marbles made a fair lending decision to approve Miss K's application for the Marbles account and provide her with a £900 credit limit.

I've also considered whether the relationship might have been unfair under s.140A of the Consumer Credit Act 1974. However, for the reasons I've already given, I can't conclude that Marbles lent irresponsibly to Miss K or otherwise treated her unfairly in relation to this matter. I haven't seen anything to suggest that Section 140A would, given the facts of this complaint, lead to a different outcome here. So it follows I don't require Marbles to do anything further.

My final decision

I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss K to accept or reject my decision before 18 June 2025.

Gregory Sloanes
Ombudsman