

The complaint

Mr B complains that NewDay Ltd trading as Marbles lent irresponsibly when it approved his credit card application.

What happened

Mr B applied for a Marbles credit card in April 2022. In his application, Mr B gave an annual income of £52,000 that Marbles calculated left him with £2,758 a month after deductions. Marbles applied estimates for Mr B's housing and general living expenses totalling £711 a month to the application. Marbles also carried out a credit search. No adverse credit or defaults were found. The credit search results noted Mr B had missed a payment in the previous six months. Marbles found Mr B owed around £41,000 and was making monthly repayments of £1,223 to his existing creditors. Marbles applied its lending criteria and says Mr B had an estimated disposable income of £819.50 a month after meeting his regular outgoings. Marbles approved a credit card with a £300 limit and sent it to Mr B.

Mr B went on to use his Marbles card and held an outstanding balance until September 2022. Mr B next used his Marbles card in October 2024. At the time of referring his complaint to us in January 2025, Mr B's balance was £154. Late last year, representatives acting on Mr B's behalf complained that Marbles lent irresponsibly. Marbles issued a final response and said it had carried out the relevant lending checks before approving Mr B's application and didn't agree it lent irresponsibly.

An investigator at this service looked at Mr B's complaint. They thought Marbles had completed reasonable and proportionate checks before deciding to approve Mr B's application with a credit limit of £300 and weren't persuaded it lent irresponsibly. Mr B's representatives asked to appeal and said the recent missed payments and other information on his credit file should've caused Marbles to carry out further checks. As Mr B's representatives asked to appeal, his 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 Mr B 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've set out the information Marbles used when considering Mr B's application above. I can see that Mr B gave his income as £52,000 and Marbles calculated his monthly take home figure as £2,758. Mr B's credit file information showed he had a reasonably high level of unsecured debt. But I think the credit file information Mr B's representatives have provided shows the majority of Mr B's existing debts related to hire purchase agreements. I found Mr B had two credit cards at the time that were being maintained.

I accept Marbles found Mr B had missed payments in the previous six months. But at the time of Mr B's application his payments appear to have been up to date. And Marbles has confirmed it's a "second chance lender" and is willing to accept some credit file issues for applicants – in line with its lending criteria. I'm satisfied Marbles was aware of Mr B's credit history and took it into account when considering whether to lend.

I also think it's reasonable to note the credit limit Marbles approved was low at £300. And Marbles calculated Mr B had an estimated disposable income of £819.50 a month available. That meant Mr B would've been able to quickly repay the outstanding balance and the risk of causing financial harm was reduced.

Overall, I'm satisfied the level and nature of checks Marbles completed were reasonable and proportionate to the credit card with £300 limit it went on to approve. And I'm satisfied the decision to approved Mr B's application was reasonable based on the information Marbles obtained. I'm sorry to disappoint Mr B but I haven't been persuaded Marbles lent irresponsibly.

In addition, I think it's reasonable to note that the way Mr B has used his Marbles card doesn't indicate it lent irresponsibly. Mr B has maintained his repayments and had extended periods where no balance was owed. In addition, I haven't seen anything that shows Mr B's balance sat at the credit limit.

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 Mr B or otherwise treated him 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 Mr B's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr B to accept or reject my decision before 20 June 2025.

Marco Manente
Ombudsman