

## **The complaint**

Mr P complains NewDay Ltd trading as Marbles Card ("NewDay") gave him a credit card when he was already struggling.

## **What happened**

In October 2021, Mr P applied for a credit card with NewDay. The application was accepted, and they provided him with an initial limit of £300. In February 2022, the credit limit was increased to £800.

Mr P complained to NewDay in 2024 – he said they didn't consider his financial history including missed payments and payday lending, he's been near the limit continuously and it's had an impact on his mental health.

NewDay responded rejecting the complaint. They said they were satisfied the lending was affordable for Mr P at both the point of application and the increase, but they would be restricting the card so Mr P could no longer spend on it to help him with his financial struggles.

Mr P was unhappy with the response and so the complaint was referred to our service. An Investigator here looked into things.

They found the checks were proportionate, and a fair decision to lend was made. This was the same for both account opening and the credit limit increase. Mr P didn't agree and a second opinion was issued focussing on information regarding Mr P's income and expenditure at the time – but the outcome remained the same.

Because an agreement couldn't be reached the case 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've reached the same outcome as the Investigator. I know this will be disappointing for Mr P, but I hope he'll understand my reasoning.

The rules and regulations in place at the time NewDay provided Mr P with the credit card and subsequent increase 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 P. In other words, it wasn't enough for NewDay to consider the likelihood of them getting the funds back or whether Mr P's circumstances met their lending criteria – they had to consider if Mr P 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 P.

The checks NewDay completed included credit reference checks and information they gathered from Mr P at the point of application. They found out that Mr P had an annual salary of £37,000, there was a default but it was historic at 30 months' old and no payday loans. They found that Mr P's existing credit commitments totalled around £400 a month.

I believe the checks NewDay carried out were proportionate, and considering the amount being provided to Mr P, and the information they gathered in these checks, I don't think they acted unfairly when providing Mr P with the credit card. I say this because it was for a relatively modest amount of £300, 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 P to repay this credit in a reasonable period of time based on his salary and existing credit commitments.

I've gone on to consider the credit limit increase four months later to £600. In the months prior to the increase, Mr P had paid nearly 1800% of the minimum repayment due. These overpayments were so significant, I don't think it would've been unreasonable for NewDay to conclude based on this alone that the increase to £600 would've been affordable for Mr P.

However, they did also complete credit checks. These showed that Mr P's overall external indebtedness wasn't increasing, and although there appeared to be one missed payment, this alone wouldn't be enough, when combined with the large overpayments to the NewDay card, that Mr P was struggling financially. So it follows that I believe the checks NewDay completed when increasing the limit were also proportionate, and a fair decision to lend was made at the time.

I note Mr P's comments regarding having lots of missed payments at the time – but NewDay can only rely on information that's reported to the credit reference agencies at the time. And having looked at the data they received, there wasn't an indication that this was happening. I appreciate it's frustrating for Mr P, but I can't hold NewDay accountable for evidence they didn't see at the time.

In reaching my conclusions, I've also considered whether the lending relationship between NewDay and Mr P might have been unfair to Mr P 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 P with the credit card, or by increasing his credit limit. 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 P, 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 Card didn't treat Mr P unfairly when lending to him, or when increasing his credit limit.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr P to accept or

reject my decision before 1 July 2025.

Meg Raymond  
**Ombudsman**