

## The complaint

Mr Y complains about NewDay Ltd, trading as John Lewis Credit Card, refusing his request to increase his credit limit and not giving him the reason.

## What happened

Mr Y has had a credit card with NewDay since October 2022 with a credit limit of £5,000.

Mr Y says that he has repeatedly been turned down for credit limit increases. This is despite it being his only credit card, him paying the balance every month and taking great care never to exceed the card limit.

As Mr Y didn't understand the reason for NewDay declining his credit limit increase request, and was worried there may be something on his credit file, he asked them for an explanation. However, he was disappointed to be provided with information on the factors they consider, rather than being given a specific reason.

As he remains worried and has been left to assume his card usage is not compatible with their business model, Mr Y submitted a complaint about his dissatisfaction and to discover the metrics he fails on.

In their response to his complaint NewDay said:

- *'We cannot provide a direct reason why we cannot offer you an increase'*
- *'We can provide you with the factors we take into account when setting credit limits on customers accounts'*
  - *'Internal factors such as how your account is managed'*
  - *'External factors such as information available to us on your credit file'*
- *As a responsible lender, when we receive a request to increase the credit limit, we consider internal factors such as how your account is managed and external factors such as information available to us on your credit file'*

Mr Y considers it is disingenuous for NewDay to repeatedly suggest that they are able to increase his limit in future when they fail to explain why they can't increase it now. So, he brought his complaint to our service

Our investigator didn't consider Mr Y had been treated unfairly by NewDay.

As Mr Y remains dissatisfied his complaint has been referred to me to look at.

## 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, although I can understand Mr Y's concern here and I'm sorry to hear about his worry and distress, I'm not upholding this complaint. And I'll explain why.

I should first say that a lender is entitled to have a confidential policy and procedure on when they can and can't apply credit card limits. This is because they have commercial considerations and refer to increases in their terms and conditions.

Also, they have a duty to lend responsibly and protect their customers from financial harm. Importantly, a higher credit limit may offer greater flexibility and convenience, but it might also increase the risk of taking on too much debt, which may be costly, or take a long time to pay off.

I do though recognise it is frustrating and worrying for Mr Y, and other customers who are affected by the same policy, to have to either request and scrutinise a credit file and / or speculate on the exact reason. But I don't think it is unreasonable for policy information, which can change for future applications, to be treated as commercially sensitive and therefore not be shared.

I recognise customer dissatisfaction over not being given specific information. However, it isn't that NewDay aren't giving any information. Mr Y can, if he wishes, check his credit report. Also, determine if common reasons, such as too low income, too many recent credit applications or too much available credit, apply to him.

Although it isn't in the remit of this service to look at the lending criteria of a business (as we aren't the regulator of financial services) or tell them who to lend to, our service does expect a regulated lender to be able to demonstrate that they've reached a decision fairly. And NewDay have shared the reason with our service.

I appreciate Mr Y will find it frustrating that I can't share this with him because it is marked confidential. But based on what I've seen, I don't think NewDay have treated Mr Y unfairly or differently to any other customer requiring a higher credit limit.

I recognise that Mr Y feels strongly about this and I'm sorry to hear that he has been worried about his credit file which he can request a copy of. However, having considered the above and all the information on file, I'm not upholding this complaint.

### **My final decision**

My final decision is that I'm not upholding this complaint against NewDay Ltd trading as John Lewis Credit Card.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr Y to accept or reject my decision before 18 July 2025.

Paul Douglas  
**Ombudsman**