

The complaint

Mr H complains that NewDay Ltd trading as Aqua irresponsibly lent to him.

Mr H is represented by a claims management company in bringing this complaint. But for ease of reading, I'll refer to any submission and comments they have made as being made by Mr H himself.

What happened

Mr H was approved for an Aqua credit card in October 2022 with a £450 credit limit. Mr H says that Aqua irresponsibly lent to him. Mr H made a complaint to Aqua who did not uphold his complaint. They said the account was provided responsibly. Mr H brought his complaint to our service.

Our investigator did not uphold Mr H's complaint. She said Aqua's lending checks were proportionate, and they made a fair lending decision. Mr H asked for an ombudsman to review his complaint. He said he had a number of payday loans in the months leading up to Aqua accepting his application, which Aqua should have been able to see.

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 Mr H, Aqua needed to make proportionate checks to determine whether the credit was affordable and sustainable for him. 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 Aqua have done and whether I'm persuaded these checks were proportionate.

Aqua said they looked at information provided by Credit Reference Agencies (CRA's) and information that Mr H had provided before approving his application. The information shows that Mr H had declared a gross annual income of £20,500.

The data showed Mr H had no public records – such as a County Court Judgement (CCJ), and no defaults on his credit file. There were no current arrears, or any arrears on his accounts in the six months prior to the checks. Mr H was showing as having an active debt to gross annual income ratio of 4.79% which would equate to him having around £981.95 of active unsecured debt.

I've considered what Mr H has said about him having payday loans in the months leading up to this lending decision. The data Aqua received from the CRA doesn't show the accounts Mr H had previously. But it does show that Mr H currently had no payday loans active at the point of the checks. So it would be proportionate for Aqua to rely on the information the CRA gave them.

The data showed an affordability assessment for Mr H. Aqua used information from a CRA and modelling to estimate Mr H's outgoings. The affordability assessment showed that Mr H should be able to sustainably afford repayments for a £450 credit limit.

So I'm persuaded that the checks Aqua completed for this lending decision were proportionate, and they made a fair lending decision to approve Mr H's application, and to provide him with a £450 credit limit.

My final decision

I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr H to accept or reject my decision before 22 August 2025.

Gregory Sloanes
Ombudsman