

The complaint

Mr A is unhappy NewDay Ltd, trading as John Lewis Partnership Credit (NewDay) did not agree to increase the limit on his credit card, and then didn't explain to him the reason for their decision.

What happened

Mr A opened a credit card with NewDay in 2022 and in late 2024 requested to increase his credit limit from £7,500 to £10,000.

NewDay let Mr A know that this wasn't something they were able to do at the time explaining that Mr A did not meet their criteria for a higher credit limit at that point. They let Mr A know they considered various factors when making their decision.

Mr A didn't find this a good enough explanation as he could not see where he was falling short to be eligible for an increase in his credit limit.

Our Investigator didn't find that NewDay had done anything wrong in the matter and noted that it was for NewDay to decide whether to increase the credit limit. The Investigator, in their view, referenced a 'limit cap' mentioned to them by NewDay.

Mr A asked to understand the meaning of a 'limit cap' which hadn't previously been mentioned to him. Our Investigator sought further clarification from NewDay who in effect reaffirmed that, as the lender, it was at their discretion whether to provide credit or increase an existing credit limit for an individual. The Investigator further explained to Mr A that the decision to lend was a commercial one for the lender to make and the Investigator had not found NewDay had acted unfairly in the matter.

Mr A also raised concerns that he had been discriminated against. Our Investigator considered this, but assured Mr A they had not found anything to suggest this was the case here.

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.

Above is only a summary of what's happened, but I assure both parties I have reviewed all the available evidence and submissions to decide a fair and reasonable resolution for both parties.

To reach my decision I've taken into account any relevant law and regulations; regulators' rules, guidance and standards; codes of practice and (where appropriate) what is considered to have been good industry practice at the relevant time.

I think it may also help to explain some of the limitations to my powers here in that I do not have the authority to interfere with a firm's commercial decision making, nor interfere with a firm's processes, systems or controls and nor can I fine or punish a firm.

With the above in mind, this means I cannot tell NewDay to increase Mr A's credit limit as such a decision will always rest with the respective lender who will take into account things such as their regulatory obligations to lend responsibly and their commercial appetite for risk at a particular time.

At the heart of this matter is Mr A's wish to understand the reason why NewDay did not agree the increased credit limit for him as he believes this is something he is entitled to know, particularly as he can find no clear reason for not providing this credit to him.

I'm unaware of any specific obligation on NewDay to state exactly why they have reached a particular lending decision to the level of detail I believe Mr A is looking for, but there is industry guidance and general industry good practice promoting firms to provide more helpful information and supportive direction to consumers following a decision to decline credit, so that this can help the consumer pursue their financial objectives. So I've considered what NewDay have done here.

It is apparent NewDay have told Mr A that he does not meet their criteria at this time, and they've shared with Mr A that they consider several different things when reaching their decision to lend including how someone manages their account, someone's credit file and looking at risk and affordability assessments.

I understand Mr A has said he believes he meets NewDay's criteria for lending based on what he has been able to find out about this himself, so I can appreciate how this matter is frustrating for him. However, while a lender may set out some eligibility criteria online for customers to see, it would not be expected for their more detailed underwriting criteria to be laid out for all, for fear of it being abused and putting the lender at more risk. For similar reasons, I wouldn't expect a lender to set out what their risk appetite is for lending at any particular time given this would go to their commercial decision making.

I note NewDay have told Mr A that it is possible his credit limit may increase in the future, so it appears NewDay would potentially be open to considering a higher credit limit albeit at this time it is not something they can do for Mr A. And so nothing has been said to prevent Mr A from applying again to NewDay at some point in the future if that is something he wishes to do.

I am aware there has been much made of the 'cap' that our Investigator referenced following their investigation, but I've not seen anything to suggest this is something more specific than NewDay saying at this time the credit limit Mr A has at the moment is what they are happy to provide for him. As I've already said, NewDay have said credit limits can be reviewed and so there is the possibility it could increase in the future, but that would remain at NewDay's discretion and assessment at the applicable time.

I've considered Mr A's concerns that he has in some way been discriminated against and treated differently because NewDay did not approve his request for further credit, but having reviewed NewDay's submissions I can assure Mr A that I've not found anything to suggest NewDay have acted inappropriately in such a way as Mr A has suggested.

While I realise my findings will not provide Mr A with the answer and result he is looking for, my findings here are that NewDay have not done anything wrong or treated Mr A unfairly in this case. I would only note that it may have been helpful for NewDay to signpost Mr A to other organisations for further information and support, such as the government backed

'Money Helper' guide. This looks to help individuals understand how they can improve their chances of a successful credit application and explains what lenders consider when assessing applications.

My final decision

For the reasons above, my final decision is that I do not uphold Mr A's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr A to accept or reject my decision before 25 July 2025.

Kristina Mathews
Ombudsman