

The complaint

Ms M complains that NewDay Ltd trading as Marbles irresponsibly lent to her.

What happened

Ms M was approved for a Marbles credit card in July 2021 with a £250 credit limit. The credit limit was increased to £1,250 in April 2022, and it was increased for a final time to £2,250 in July 2022. Ms M says the credit was irresponsibly lent to her. Ms M made a complaint to Marbles.

Marbles did not uphold Ms M's complaint as they said the account and credit limits were provided responsibly to her. Ms M brought her complaint to our service. Our investigator did not uphold Ms M's complaint. He said Marbles made fair lending decisions.

Ms M asked for an ombudsman to review her complaint. She made a number of points. In summary, she said that her affordability to repay the credit was zero, as while she may not have missed repayments, she used other cards to survive. She said Marbles should have checked carefully with regards to her affordability, and they have now closed her account.

Ms M said she had an upheld complaint regarding irresponsible lending from another company in the same group as Marbles, as they said her circumstances changed in October 2020. Ms M says that Marbles have now defaulted her account, she had no notifications about missed repayments, and she was led to believe she was making her repayments on time.

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.

Ms M has raised several new complaint points since she brought her original complaint to our service, such as Marbles defaulting her account, her having no notifications about missed repayments, and she was led to believe she was making her repayments on time.

But Ms M would need to raise these complaint points as part of a separate complaint directly with Marbles first, along with if she was unhappy with them closing her account. This is because we need to allow Marbles the opportunity to address Ms M's new complaint points first. If Ms M is dissatisfied with Marbles response to her new separate complaint, then she may be able to bring this new separate complaint to our service.

I've considered what Ms M has said about a company in Marbles larger group upholding an irresponsible lending complaint due to her circumstances in October 2020. But each complaint is judged on its own merit. So I can't fairly say that Ms M's complaint about irresponsible lending should automatically be upheld for her Marbles account on this basis. And I note that her Marbles account was opened in July 2021, which was several months after October 2020, therefore her financial situation could have improved since this time.

Before agreeing to approve the credit available to Ms M, Marbles needed to make proportionate checks to determine whether the credit was affordable and sustainable for her. 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 Marbles have done and whether I'm persuaded these checks were proportionate.

Acceptance for the Marbles account

Marbles said they looked at information provided by Credit Reference Agencies (CRA's) and information that Ms M had provided before approving her application. The CRA showed that Ms M had previously defaulted on at least one credit agreement 16 months prior to her Marbles application.

It may help to explain here that, while information like a default on someone's credit file may often mean they're not granted further credit – it doesn't automatically mean that a lender won't offer borrowing. So I've looked at what else Marbles information showed them, to see if they made a fair lending decision to accept Ms M's application.

The information showed that Ms M had declared a gross annual income of £28,500 which Marbles calculated this to be a net monthly income of £2,003.30. The information from the CRA showed that Ms M had not been in arrears on her active accounts in the six months prior to her application. The checks showed she had not entered into any repayment plans on any of her active accounts, she had no County Court Judgements being reported by the CRA, and she had no payday loans at the time of the checks.

A CRA reported that Ms M had a debt to gross annual income of 25.27%, which would have equated to around £7,202. Marbles completed an affordability assessment to assess Ms M's disposable income.

Marbles used information from Ms M such as her income, information from a CRA such as her monthly credit commitments, and they also used modelling to calculate Ms M's other monthly expenditure, which is an industry standard way of assessing expenditure. Marbles calculated that Ms M had enough disposable income to comfortably meet her repayments for a credit limit of £250.

In the absence of any recent adverse credit file information at the time of the lending checks, it wouldn't have been proportionate for Marbles to have completed further checks here such as requesting Ms M's bank statements. And there is no requirement for them to do this for each lending decision. The new credit limit would have equated to less than 1% of Ms M's originally declared gross income.

So I'm persuaded that Marbles made a fair lending decision to approve Ms M's application for the Marbles account and provide her with a £250 credit limit.

April 2022 credit limit increase - £250 to £1,250

A CRA reported that Ms M's active unsecured debt had risen to £10,383 since the last lending decision. But they also reported that Ms M was not close to exceeding her overall credit limits (she was showing as utilising 63% of her overall credit limits at the time of the checks).

Ms M had not been in arrears on any active external accounts since the Marbles account had been approved. Marbles would have also been able to see how she used her account

since it had been opened.

Ms M incurred no late or overlimit fees since her account had been opened, and she often made repayments which were a lot higher than her requested minimum repayment, which I wouldn't expect her to be able to make if she was struggling financially at the time of the checks.

Again, Marbles completed an affordability assessment which included information from the CRA about her repayments for the total new active unsecured debt she now had, and the affordability assessment showed that Ms M should be able to affordably sustain repayments for a £1,250 credit limit. So again, it wouldn't have been proportionate for Marbles to have completed further checks here, and they would have no knowledge, nor would I expect them to be reasonably aware if Ms M was using other cards to meet her repayments here.

So I'm persuaded that Marbles checks were proportionate, and they made a fair lending decision here.

July 2022 credit limit increase - £1,250 to £2,250

A CRA reported that Ms M's active unsecured debt had risen to £11,967 since the last lending decision, which was not significantly higher than at the last lending decision. Again, the CRA Marbles used reported that Ms M was not close to exceeding her overall credit limits (she was showing as utilising 51% of her overall credit limits at the time of the checks).

Ms M had not been in arrears on any active external accounts since the last lending decision. Ms M incurred no late or overlimit fees since the last lending decision and there was no indication she was using other debt to make her repayments on this account.

Marbles once again completed an affordability assessment which included information from the CRA about her repayments for the total new active unsecured debt she now had, and the affordability assessment showed that Ms M should be able to affordably sustain repayments for a £2,250 credit limit.

So again, it wouldn't have been proportionate for Marbles to have completed further checks here. So I'm persuaded that Marbles checks were proportionate, and they made a fair lending decision here.

If Ms M is currently struggling to meet her repayments, I would urge her to contact the owner of the account to discuss a repayment plan with them taking into account her current financial circumstances.

I've also considered whether the relationship might have been unfair under s.140A of the Consumer Credit Act 1974. However, for the reasons I've already given, I can't conclude that Marbles lent irresponsibly to Ms M or otherwise treated her unfairly in relation to this matter. I haven't seen anything to suggest that Section 140A would, given the facts of this complaint, lead to a different outcome here. So it follows I don't require Marbles to do anything further.

My final decision

I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms M to accept or reject my decision before 7 November 2025.

Gregory Sloanes
Ombudsman