

## **The complaint**

Miss P complains that NewDay Ltd trading as Aqua lent irresponsibly when it approved her credit card application.

## **What happened**

Miss P applied for an Aqua credit card in February 2025. In her application, Miss P said she was employed with an income of £40,000 that Aqua calculated left her with £2,693 a month after deductions. Aqua applied outgoings for Miss P's housing costs of £600 and general living expenses of £509 a month to the application. Aqua also carried out a credit search and found Miss P was making monthly repayments of £760 to her existing unsecured debts and owed around £24,750. No adverse credit or recent missed payments were noted. Aqua applied its lending criteria and says Miss P had an estimated disposable income of £823 a month. Aqua approved Miss P's application and issued a credit card with a £900 limit.

Miss P went on to complain that Aqua lent irresponsibly and it issued a final response on 28 May 2025. Aqua said it had completed the relevant lending checks when considering Miss P's application and didn't agree it lent irresponsibly.

An investigator at this service looked at Miss P's complaint. They thought Aqua had carried out reasonable and proportionate checks before approving Miss P's application and weren't persuaded it lent irresponsibly. Miss P asked to appeal, so her complaint has been passed to me to make a decision.

## **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 lend, the rules say Aqua had to complete reasonable and proportionate checks to ensure Miss P could afford to repay the debt in a sustainable way. These affordability checks needed to be focused on the borrower's circumstances. The nature of what's considered reasonable and proportionate will vary depending on various factors like:

- The amount of credit;
- The total sum repayable and the size of regular repayments;
- The duration of the agreement;
- The costs of the credit; and
- The consumer's individual circumstances.

That means there's no set list of checks a lender must complete. But lenders are required to consider the above points when deciding what's reasonable and proportionate. Lenders may choose to verify a borrower's income or obtain a more detailed picture of their circumstances by reviewing bank statements for example. More information about how we consider irresponsible lending complaints can be found on our website.

I've set out the information Aqua used when considering Miss P's application above. I can see that Aqua carried out a credit search and found Miss P owed around £24,750 in other unsecured debts. I accept this was a reasonably high amount when compared against Miss P's income. But I think it's fair to say Miss P's existing debts were all up to date with no evidence of arrears found. Aqua also found Miss P had a mortgage that was up to date. So whilst I accept Miss P did owe £24,750 at the point of application, overall, I haven't been persuaded the information on her credit file would've shown Aqua she was experiencing financial difficulties.

In response to the investigator, Miss P said her monthly repayments for existing debts were much higher. But Aqua obtained the information about Miss P's regular repayments from the credit reference agencies which showed she was making payments of around £760 a month. Given that information was obtained from Miss P's credit file, I'm satisfied it was reasonable for Aqua to take it into account when completing its lending checks.

In addition to checking Miss P's credit file, Aqua also applied estimates obtained from nationally recognised statistics for her regular living expenses. I understand Miss P has some concerns about the approach taken. But the rules Aqua operates under allow it to use reasonable estimates for an applicant's outgoings and I haven't seen anything that shows that wasn't appropriate in Miss P's case. I'm satisfied the figures Aqua used for Miss P's outgoings were reasonable in the circumstances of her application.

Ultimately, after checking Miss P's credit file and getting details of her existing debts, applying outgoings for her housing costs and general living expenses, Aqua reached the position she had an estimated disposable income of £823 a month. I'm satisfied that was sufficient to sustainably afford repayments to a new credit card with a limit of £900.

Having taken the available information into account, I'm satisfied Aqua carried out reasonable and proportionate lending checks when considering Miss P's credit card application. And I'm satisfied the decision to approve Miss P's application was reasonable based on the information Aqua obtained. I'm very sorry to disappoint Miss P but I haven't been persuaded that Aqua lent irresponsibly when it approved her credit card application.

I've considered whether the business acted unfairly or unreasonably in any other way including whether the relationship might have been unfair under Section 140A of the Consumer Credit Act 1974. However, for the reasons I've already given, I don't think Aqua lent irresponsibly to Miss P or otherwise treated her unfairly. I haven't seen anything to suggest that Section 140A or anything else would, given the facts of this complaint, lead to a different outcome here.

### **My final decision**

My decision is that I don't uphold Miss P's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss P to accept or reject my decision before 31 July 2025.

Marco Manente  
**Ombudsman**