

## The complaint

Miss J complains that NewDay Ltd, trading as Fluid, acted irresponsibly when they didn't notice her gambling and kept on increasing her credit card limit.

## What happened

Miss J took out a credit card with NewDay in October 2022 with a credit limit of £2,500.

NewDay subsequently applied the following three increases to her credit limit taking it from £2,500 to £5,950:

- Increase 1 - £2,500 to £3,200 on 7 February 2023
- Increase 2 - £3,200 to £4,450 on 15 June 2023
- Increase 3 - £4,450 to £5,950 on 15 April 2024

Miss J's complaint is that NewDay shouldn't have given her these three increases. She says that:

- If NewDay had properly checked her credit record before the increases they would've noticed her gambling addiction '*via my own bank statements, my current amount of debt outstanding and also, the current transaction going through my credit card with them*'.
- Her activity on this account since September 2023 had shown nearly £25,000 in transactions to gambling websites.
- By increasing her credit limit, NewDay made her financial position worse.
- NewDay should've '*offered me forbearance by freezing the interest on the card and should have at least questioned my transactions.*'

Miss J asked NewDay to refund her interest payments. She also requested they negotiate repayment of her outstanding debt '*ensuring that this keeps my credit report intact from any negative markers*'.

In response to her complaint NewDay said they were satisfied that her account was provided responsibly and that their affordability assessments were appropriate and proportionate. They also said that, after offering the increases, they allowed Miss J up to forty days to opt out of the increase and she opted in and did not raise any concerns about affordability.

Miss J escalated her complaint to our service; however, our investigator couldn't see that NewDay had done anything wrong.

As Miss J remains dissatisfied her complaint has been referred to me to look at.

I issued two provisional decisions.

On 16 June 2025 I said:

*What I've provisionally 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, based on the information I've seen so far, my provisional decision is to uphold this complaint, and I'll explain why.*

*I'll focus on what I think are the important points to reach a final decision. But I've carefully considered all the points both parties have made, even though I don't specifically address them all.*

*The general approach to complaints about unaffordable and irresponsible lending including the key relevant rules, guidance and good industry practice is set out on this services website.*

*We've set out our general approach to complaints about short-term lending, including all of the relevant rules, guidance and good industry practice, on our website.*

*NewDay needed to take reasonable steps to ensure it didn't lend irresponsibly. Rather than approach the applications for credit card limit increases from the perspective of the likelihood of getting its money back, they had a responsibility to ensure that the repayments wouldn't cause Miss J undue difficulty or significant adverse consequences.*

*That meant Miss J should've been able to meet repayments out of her normal income without having to borrow to meet the repayments, without failing to make any other payments she had a contractual or statutory obligation to make and without the repayments having an adverse impact on her financial situation.*

*NewDay checks also had to be "proportionate" to the specific circumstances of the credit application. In general, what constitutes a proportionate check will depend upon a number of things including – but not limited to – the particular circumstances of the consumer (e.g. financial history, current situation and outlook, and any indications of vulnerability or financial difficulty) and the amount/type/cost of credit.*

*In light of this, I think that a reasonable and proportionate check ought generally to have been more thorough:*

- The lower a customer's income (reflecting that it could be more difficult to make any repayments to credit from a lower level of income)*
- The higher the amount due to be repaid (reflecting that it could be more difficult to meet higher repayments from a particular level of income)*
- The longer the period of time a borrower will be indebted for (reflecting the fact that the total cost of the credit is likely to be greater and the customer is required to make repayments for an extended period).*

*I kept the above in mind when looking at everything NewDay considered, to see if their checks were proportionate and, if they were, whether they made a fair decision when approving Miss J's credit card limits.*

*I found that NewDay made enquiries with a credit reference agency. Although neither party provided a copy of the credit report for me to check, NewDay have provided information on what they viewed and considered. They provided records of the disposable income they calculated (£1,308.35 for increase 1, £755.24 for increase 2, £2927.54 for increase 3) and that there was no concerning information such as defaults or CCJ's.*

*Also, upon my request, NewDay:*

- Confirmed how they verified Miss J's income (using Current Account Turn Over) and housing costs (using bureau data).
- Provided me with the information they held on Miss J's credit card usage for the months that preceded each increase.

Miss J says a request for bank statements would've shown her gambling addiction and she has provided evidence of a high velocity of raffle tickets purchases going through her bank account (April 2024). However, considering the information available to NewDay including recent activity on her credit card account, I don't think it would've been proportionate for them to have requested bank statements.

The crux of Miss J's complaint is that NewDay should've reasonably been aware, including from her NewDay credit card account information, that she had a gambling addiction and was experiencing financial difficulties before increase number 1.

I analysed the NewDay credit card statements for the months that preceded each of the three credit card limit increases and I think NewDay should've noticed a high velocity of raffle / gambling transactions going through her account.

In Miss J's November and December credit card statements, I found that she had a significant number of gambling transactions – over 100. This was the main spend on her credit card and the combined amounts were significant, utilising most of her available balance.

NewDay had this information at their disposal and considering both the velocity and spend on clear gambling transactions, I think for increase number 1 in February 2023, when a pattern had clearly emerged, they should've:

- Understood that raffle tickets are a form of gambling and that customers who gamble can get addicted and might be vulnerable as their spending could cause financial issues and affect their mental and physical health.
- Recognised there was a risk of financial harm to Miss J as she was primarily using her credit card to gamble at high velocity and her balance wasn't reducing.
- Rejected the increase and intervened to check Miss J wasn't at risk of financial harm and determine if she was vulnerable and needed support.

However, I can't see that they did any of the above.

Miss J's statements show that her gambling continued at some velocity after each of the increases until she ran out of credit.

Although I haven't been provided with Miss J's credit card statements after April 2024, due to her complaint and submissions including bank statement, I think it likely the same gambling pattern continued after NewDay applied increase number 3.

So, having considered the above and all the information on file, I don't think NewDay treated Miss J fairly here as they shouldn't have approved any of the three increases. Also, they didn't offer her support.

Putting things right

As per our usual approach in cases where we've found that credit had been irresponsibly given and there could also be winnings, I think it's fair that Miss J repays the money she spent. But I don't think it's fair that she pays any interest, fees or charges associated with the account or has her credit file is adversely impacted. So, NewDay should:

- Remove all interest, fees, charges that have been applied to Miss J's credit card since 7 February 2023.

- *Contact Miss J to arrange an affordable repayment plan for the remaining balance.*
- *Once Miss J has cleared the balance, remove any adverse information in relation to the account from her credit file.*
- *Pay Miss J £300 in recognition of the distress and impact caused by a lack of intervention and support.*

*My provisional decision*

*For the reasons I've given above, it's my provisional decision to uphold this complaint.*

*I require NewDay Ltd trading as Fluid to:*

- *Remove all interest, fees, charges that have been applied to Miss J's credit card since 7 February 2023.*
- *Contact Miss J to arrange an affordable repayment plan for the remaining balance.*
- *Once Miss J has cleared the balance, remove any adverse information in relation to the account from her credit file.*
- *Pay Miss J £300 in recognition of the distress and impact caused by a lack of intervention and support.*

*I'll look at anything else anyone wants to give me – so long as I get it before 30 June 2025.*

*Unless that information changes my mind, my final decision is likely to be as I've set out above.*

On 2 July 2025 I said:

*What I've provisionally 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.*

*Further to my above provisional decision:*

- *Miss J said she felt the decision was fair but highlighted the amount of money NewDay's irresponsible lending decisions had caused her to spend on her gambling addiction. She also said that 'the amount remaining after your provisional outcome, would be greater than the credit limit provided back in February 2023' and asked for the compensation amount to be looked at.*
- *Miss J also provided some information showing that she did receive some winnings. However, these were much lower than the raffle tickets she had purchased.*
- *NewDay didn't provide a response.*

*As NewDay haven't responded to any of the points in my provisional decision or produced any new information or evidence, my view remains the same that NewDay*

*didn't treat Miss J fairly and they shouldn't have approved any of the three credit limit increases. So, I'm still upholding this complaint.*

*In response to Miss J's submission, I looked again at whether NewDay should write off any amount over the original £2,500 limit. However, as Miss J had use of that money and had winnings, I don't think it would be fair or reasonable to make such a requirement.*

*I then looked again at the compensation award. Assessing compensation for errors and the subsequent distress and inconvenience isn't an exact science and our approach when making awards is detailed on our website and tends to be modest.*

*Having done so, I consider the impact of NewDay's errors and their failure to intervene and support Miss J to be high. I'm persuaded that the debt that Miss J is left with, has caused her a high amount of distress and worry. I therefore think the compensation amount should be increased to £500.*

*As this is an increase on the amount of compensation stated in my provisional decision, I've decided to issue a second provisional decision in order to give NewDay an opportunity to respond.*

*My provisional decision*

*My second provisional decision is to uphold this complaint.*

*I require NewDay Ltd trading as Fluid to:*

- *Remove all interest, fees, charges that have been applied to Miss J's credit card since 7 February 2023.*
- *Contact Miss J to arrange an affordable repayment plan for the remaining balance.*
- *Once Miss J has cleared the balance, remove any adverse information in relation to the account from her credit file.*
- *Pay Miss J £500 in recognition of the distress and impact caused by the increase decisions and lack of intervention and support.*

*I'll look at anything else anyone wants to give me – so long as I get it before 16 July 2025.*

*Unless that information changes my mind, my final decision is likely to be as I've set out above.*

## **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.

Further to my second provisional decision:

- NewDay still didn't respond.
- Miss J:
  - Shared account statements she had received from NewDay so I could see the transactions that went through her account
  - Said 'Despite still going to owed more than the original amount, I take into account that removal of all interest and the goodwill compensation is satisfactory in this case'.

As NewDay still haven't responded to any of the points in my provisional decision or produced any new information or evidence, my view remains the same that NewDay didn't treat Miss J fairly and they shouldn't have approved any of the three credit limit increases. So, for the reasons explained in my above provisional decisions, I'm still upholding this complaint.

Although Miss J said she was satisfied with the compensation amount I looked at all her statements and considered this again. Having done so, I remain persuaded that the debt that Miss J is left with, has caused her a high amount of distress and worry and that £500 is a fair and reasonable amount of compensation.

### **My final decision**

My final decision is to uphold this complaint against NewDay Ltd, trading as Fluid, and I require them to:

- Pay Miss J £500 in recognition of the distress and impact caused by the increase decisions and lack of intervention and support.
- Remove all interest, fees, charges that have been applied to Miss J's credit card since 7 February 2023.
- Contact Miss J to arrange an affordable repayment plan for the remaining balance.
- Once Miss J has cleared the balance, remove any adverse information in relation to the account from her credit file.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss J to accept or reject my decision before 14 August 2025.

Paul Douglas  
**Ombudsman**