

The complaint

Ms D complains that NewDay Ltd trading as Fluid lent irresponsibly when it approved her credit card application and later increased the limit.

What happened

Ms D applied for a Fluid credit card in November 2018. In her application, Ms D said she was employed with an annual income of £20,500 that Fluid calculated left her with £1,338 a month after deductions. A credit search was completed that showed Ms D had County Court Judgements recorded, the newest of which was 46 months old, and default information that was 15 months old. Existing debts totalling £1,994 with monthly repayments of £150 were noted. No recent arrears or other adverse credit was recorded. Fluid carried out an affordability assessment using Ms D's existing repayments and estimates for her rent and general living expenses. Fluid reached the view Ms D had a disposable income of £170 a month after covering her existing outgoings and approved a credit card with a £900 limit.

Ms D used the Fluid account and the credit limit was later increased in stages as follows:

Event	Date	Limit
App	Nov-18	£900
CLI1	Mar-19	£1,350
CLI2	Jul-19	£2,300
CLI3	Jan-20	£2,750
CLI4	Dec-21	£4,250
CLI5	Mar-22	£5,750
CLI6	Aug-22	£7,250
CLI7	Jan-23	£8,000

Earlier this year Ms D complained that Fluid lent irresponsibly and it issued a final response. Fluid said it had carried out the relevant lending checks before approving Ms D's application and later increasing the credit limit and didn't agree it lent irresponsibly.

An investigator at this service looked at Ms D's complaint. They thought Fluid had completed reasonable and proportionate checks before each lending decision it made. The investigator wasn't persuaded Fluid lent irresponsibly and didn't uphold Ms D's complaint. Ms D 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 or increasing the credit limit, the rules say Fluid had to complete reasonable and proportionate checks to ensure Ms D 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 that Fluid used when considering Ms D's application above. I can see Ms D provided details of her income and that a credit search was completed. The credit search found CCJ information that was almost four years old at the time. I can see some default information was also noted, the newest of which was 15 months old. But Fluid's confirmed it's a "second chance lender" and will accept some level of historic adverse credit when considering an application. The credit file information shows Ms D's existing commitments were up to date with no recent arrears. I also note there were no payday loans or other adverse credit reported on Ms D's credit file. In addition, Ms D's other debts were reasonably modest.

Fluid also completed an affordability assessment using Ms D's income, credit commitments and estimates for her housing costs and general living expenses. Fluid reached the view Ms D had a disposable income of £170 a month which was sufficient to cover repayments to a new credit card with a limit of £900. I think that was a reasonable conclusion to reach based on the information Fluid obtained. Overall, I'm satisfied the level and nature of the checks completed by Fluid were reasonable and proportionate to the credit card with a £900 limit it went on to approve. And I'm satisfied the decision to approve Ms D's application was reasonable based on the information Fluid obtained. I'm sorry to disappoint Ms D but I haven't been persuaded Fluid lent irresponsibly when it approved her application in November 2018.

I'm going to deal with the credit limit increases together as they all share a similar approach by Fluid in terms of the checks completed and information obtained. Before each of the credit limit increases Fluid checked Ms D's credit file. I can see there was an upward trend in terms of Ms D's other debts which went from just under £2,000 in November 2018 to around £10,000 before CL17 was approved. But I think it's fair to note that was a period of over four years and that the increase was gradual. In addition, while Ms D had some adverse credit recorded when her application was made, I didn't see any new credit issues in the years that followed. No new CCJs, defaults or missed payments were noted on Ms D's credit file.

Fluid's confirmed it also took Ms D's account management into account when deciding whether to increase the credit limit. I've reviewed Ms D's account history going back to the date the credit card was approved but wasn't able to identify any late or overlimit charges. And Ms D's balance was cleared in full at various times and, from the end of 2020, generally well below the existing credit limits. In addition, I note Ms D regularly made repayments that were well in excess of the minimum required. I think Ms D's account history shows it was well managed with no obvious signs of she was struggling with repayments.

In addition, before each credit limit increase Fluid carried out either a credit scoring process or full affordability assessment taking Ms D's income and outgoings into account. Each time, the results indicated Ms D was able to sustainably afford the increased repayments required.

Taking all the available information into account, I'm satisfied the level and nature of the checks completed by Fluid were reasonable and proportionate to the credit limit increases it went on to approve. And I'm satisfied the decisions to approve the credit limit increases were reasonable based on the information Fluid obtained. I'm very sorry to disappoint Ms D but I haven't been persuaded Fluid lent irresponsibly when it increase the limit of her credit card.

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 Fluid lent irresponsibly to Ms D 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 Ms D's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms D to accept or reject my decision before 25 November 2025.

Marco Manente
Ombudsman