DRN-5746039

The complaint

Mr S complains that NewDay Ltd trading as Fluid ('NewDay') discriminated against him when refusing to increase his credit card limit and offended him on the phone.

Mr S would like significant compensation to put matters right.

What happened

Mr S's credit card limit was increased by NewDay on 24 October 2024 from £2,000 to £3,000. And on 23 February 2025 Mr S's credit limit was increased again to £4,250.

Mr S sought further credit limit increases on 26 February 2025, 27 February 2025, 1 March 2025, 6 March 2025, and 7 March 2025 which were declined by NewDay on the grounds that Mr S was currently ineligible.

Mr S complained NewDay had discriminated against him when refusing his credit limit increase and had said hurtful things during the call on 7 March 2025. NewDay provided compensation of £25 for giving some misinformation relating to another matter, but didn't agree that they'd discriminated against Mr S. NewDay said they'd applied their lending criteria and followed their usual process.

Mr S asked the Financial Ombudsman Service to investigate. Our investigator recognised Mr S had been upset by his experience with NewDay, but he didn't think NewDay had treated Mr S unfairly. Mr S sought an ombudsman's decision.

<u>My provisional decision</u>
I recently sent the parties my provisional decision, saying:

"I've taken into account any relevant law and regulations, the regulator's rules, guidance and standards, codes of practice and (where appropriate) what is considered to have been good industry practice at the relevant time.

Mr S acknowledges that the Financial Ombudsman Service performs a different function to the civil courts – so he's not expecting me to make a legal determination about discrimination here, which is outside of my remit. Rather, Mr S is asking for recognition that he's not been treated fairly by NewDay.

I've thought about this carefully, and I'm not minded to say Mr S was treated unfairly by NewDay when he was refused a further credit limit increase.

However I am minded to say there was a misunderstanding that coincided with the refusal which wasn't fairly addressed by NewDay, and this caused Mr S distress and inconvenience. So, I intend to say NewDay should pay £100 to Mr S to recognise this.

I'll now explain why I've reached this view, starting with the credit limit increase.

NewDay's agent said Mr S wasn't eligible for a further credit limit increase when he asked about this on 7 March 2025, and fairly explained that this decision was taken by a computer and not an individual working at NewDay.

NewDay's agent also said he had no power over whether Mr S received a credit limit increase. That's why NewDay's agent couldn't persuade his boss to apply a further credit limit increase to Mr S's account, even though Mr S thought this would be a good business decision.

NewDay are under a regulatory obligation to lend responsibly. Mr S had recently been given two credit limit increases, and I wouldn't typically expect multiple increases to be given in a short period of time.

When someone's been refused credit, I'd expect a lender to give the main reason for this. NewDay explained to Mr S that their lending decisions were based on several factors such as available credit, credit history, a customer's credit file and NewDay's lending criteria. I'm minded to say that was a fair explanation of what NewDay had considered in relation to Mr S's requests for a credit limit increase, and in line with what I would expect.

In these circumstances I'm minded to say NewDay have followed their usual process and unfortunately Mr S wasn't eligible for a further increase, though he was informed he could reapply in future.

I hope it reassures Mr S that I've not found anything to suggest that NewDay treated Mr S differently to any other customer seeking a credit limit increase.

I'll now turn to the nature of the call on 7 March 2025, which I've listened to carefully several times.

I can understand why Mr S feels it was inappropriate for NewDay's agent to joke and laugh on the phone when discussing Mr S's circumstances and his request for more credit. However it appears both the agent and Mr S were laughing together, and the tone of the call was jovial until Mr S was offended by one of the agent's comments…

[Given this decision is published, I have redacted this part of my provisional decision for Mr S's privacy.]

…Mr S said to the agent he felt he was being discriminated against.

I accept it was difficult for NewDay's agent to respond to Mr S's allegations during the call, as he sounded surprised that Mr S was upset. NewDay's agent did apologise and tried to clarify he hadn't been implying Mr S was poor, but it's clear both the agent and Mr S thought something different had happened.

I'm minded to say it would have been reasonable for NewDay to offer Mr S a recording of the call and engage with him further about what was said, to fully address his concerns and enable a mutual understanding of what had happened.

I'm minded to say that NewDay didn't acknowledge the misunderstanding in their final response letter and therefore didn't recognise Mr S had been genuinely upset by what he'd heard on the call. I'm inclined to say this has contributed to Mr S feeling dismissed and that this matter's unresolved.

In the circumstances, I propose that NewDay pay Mr S £100 to recognise that they've prolonged his distress by not fully addressing his concerns sooner, and that to resolve this *matter fairly Mr S has been put to the trouble of bringing his complaint to the Financial Ombudsman Service.*

I recognise Mr S is seeking a much higher sum of compensation from NewDay which indicates his strength of feeling on this matter. However I must consider the actual impact of what's happened, and I can't make awards that punish or fine a business.

I also propose that Mr S is given the opportunity to listen to the call recording from 7 March 2025 before I make any final decision in relation to his complaint. I will arrange for this to be sent to Mr S."

Responses to my provisional decision
NewDay accepted my findings.

Mr S said I'd failed to consider key evidence and said NewDay had caused him a lot of pain from February 2025 until now. He referred to personal attacks, unacceptable behaviour, bullying to include abusive harassment, alarm, and distress & discrimination.

Mr S said I'd misapplied or misinterpreted the Consumer Rights Act 2015 and had the right legal test been applied, the decision would have been in his favour. However, he didn't explain why he thought this.

I invited Mr S to provide more information before reaching my final decision, but he didn't send anything further for me to consider.

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.

I've considered the additional points Mr S has raised but I am afraid these do not change my mind and I have decided to adopt my provisional decision as my final decision.

That means I uphold Mr S's complaint in part as I don't think NewDay treated him fairly when addressing his concerns. I require NewDay to pay Mr S £100 for his distress and inconvenience.

I recognise Mr S does not think this is enough. I think it's important to say again that it is not my role to make a legal determination in relation to Mr S's complaint. Mr S refers to the misapplication of a legal test but hasn't explained where he thinks I've gone wrong.

Mr S referred to me misapplying or misinterpreting the Consumer Rights Act 2015. But I haven't found it necessary to refer to the Consumer Rights Act 2015 when considering Mr S's complaint.

That's because I've focused on NewDay's regulatory obligations to treat Mr S fairly, particularly in the way they communicate with him. I found that NewDay's actions fell short of what was expected.

I acknowledge Mr S feels £100 doesn't reflect all he's been through and I'm sorry to hear about how upset he's been. I can only consider the complaint that NewDay have had a chance to answer, so I can't go into the new matters that Mr S has raised.

I have no power to punish or fine a business, I can only look to address the impact of what's gone wrong in the circumstances of this complaint. I am satisfied that £100 fairly reflects

Mr S’s distress and inconvenience here, and I think this is in keeping with the awards of the Financial Ombudsman Service.

Putting things right

NewDay Ltd trading as Fluid must pay Mr S £100 for his distress and inconvenience. (This is in addition to the £25 Mr S received for misinformation in relation to a separate matter.)

My final decision

For the reasons I’ve outlined, NewDay Ltd trading as Fluid must put things right as I’ve set out above.

Under the rules of the Financial Ombudsman Service, I’m required to ask Mr S to accept or reject my decision before 8 September 2025.

Clare Burgess-Cade
Ombudsman