

## The complaint

Miss R complains that NewDay Ltd trading as Marbles irresponsibly lent to her.

## What happened

Miss R was approved for a Marbles credit card in September 2020 with a £900 credit limit. The credit limit was increased to £1,900 in June 2021. A final credit limit increase to £3,400 occurred in January 2022. Miss R says this was irresponsibly lent to her. Miss R made a complaint to Marbles.

Marbles did not uphold Miss R's complaint as they said the account was provided responsibly to her, and their affordability assessments were proportionate and appropriate. Miss R brought her complaint to our service. Our investigator did not uphold Miss R's complaint. He said he didn't think Marbles acted unfairly by providing the credit and the credit increases to Miss R.

Miss R asked for an ombudsman to review her complaint. She made a number of points. In summary, she said her bank statements showed that she had no income, only savings, and then she had to borrow from family members. Miss R said that most of her income was spent on debt. She said another company had upheld her irresponsible lending complaint for her credit card, and this was during the same time she had the Marbles credit card.

As my findings differed in some respects from our investigator's, I issued a provisional decision to give both parties the opportunity to consider things further. This is set out below:

*"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 what Miss R has said about another company upholding an irresponsible lending complaint for her credit card which was during the same time she had her Marbles card. But I must make Miss R aware that I'm only able to consider the actions of Marbles as part of this complaint, as that is who the complaint is about.*

*It would not automatically follow that if another company upheld a complaint for irresponsible lending, that Marbles should do the same. This is because different lenders have different information they obtain from Credit Reference Agencies (CRA's), and different lending criteria. So I'll be focusing on Marbles lending checks here, and whether they made fair lending decisions for Miss R.*

*Before agreeing to approve or increase the credit available to Miss R, 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 credit card*

*Marbles said they looked at information provided by CRA's and information that Miss R had provided before approving her application. The CRA showed that Miss R had previously defaulted on at least one credit agreement 62 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 Miss R's application.*

*The information showed that Miss R had declared a gross annual income of £36,000 which Marbles calculated this to be a net monthly income of £2,086.10. Marbles completed an affordability assessment using information Miss R had given them, information from a CRA regarding her monthly credit commitments, and modelling to estimate Miss R's disposable income. The affordability assessment suggested that Miss R would be able to sustainably afford repayments for a £900 credit limit.*

*But the CRA also reported that in the last six months, Miss R had been in arrears on an account by two months, so this could be a sign of financial difficulty. I do note that Miss R had brought this account up to date at the time Marbles completed their checks, however, I'm persuaded that Marbles should have made further checks to ensure Miss R would be able to sustainably afford repayments for the £900 credit limit.*

*There's no set way of how Marbles should have made further proportionate checks. One of the things they could have done was to contact Miss R to find out why she had been in arrears for two months on an account. Or they could have asked for her bank statements as part of a proportionate check to ensure the lending would be affordable and sustainable for her.*

*So I asked Miss R if she could provide her bank statements leading up to this lending decision. Miss R's statements that she forwarded us does show regular income, so it would appear she was working leading up to this lending decision. Miss R's account appears to be well run. She is in credit for the entire period I reviewed, and there were no returned direct debits. Miss R had disposable income to pay for non-priority expenditure, and it appeared she would have the affordability to make sustainable repayments for a £900 credit limit.*

*So if Marbles would have requested Miss R's bank statements as part of a proportionate check, I'm persuaded that Marbles would have still approved Miss R's account, and I'm persuaded they made a fair lending decision to provide her with a £900 credit limit.*

### *June 2021 credit limit increase - £900 to £1,900*

*A CRA reported that Miss R had active unsecured debt of around £3,237, which was similar to her unsecured debt level at the opening account checks. Miss R had no external accounts in arrears since the last lending decision.*

*Marbles would have also been able to see how Miss R managed her account since it had been opened. Miss R incurred no overlimit fees on the account. But she also incurred two late fees in consecutive months. So this could be a sign of financial difficulty, or they could have been oversights from Miss R as I can see she made repayments in each month she was required to.*

*So I think this should have prompted further checks from Marbles to ensure Miss R could sustainably afford repayments for a higher credit limit. Again I asked Miss R for her bank*

*statements leading up to this lending decision.*

*The bank statements Miss R has sent us show no regular income from employment or any benefits into her account. Miss R has told us that she wasn't working at the time, and she was taking money from her savings and borrowing from family members.*

*Miss R's bank statements support what Miss R has told us as I can see she transfers money into the account in February and early March 2021, however, in later March 2021, she receives credits into the account which have references with different initials, but the same surname as Miss R, which supports what Miss R has said about her needing to borrow from family members to meet her outgoings.*

*So if Marbles would have requested Miss R's bank statements as part of a proportionate check, I'm not persuaded that they would have increased the credit limit to £1,900 as Miss R had no regular income of her own at the time to make sustainable and affordable repayments. So I can't conclude that Marbles made a fair lending decision here.*

*January 2022 credit limit increase - £1,900 to £3,400*

*If Miss R's credit limit was not increased to £1,900, then it's probable that the further lending decision wouldn't have happened after this either. So I think there is an argument for saying that Miss R's complaint about the subsequent lending decision should be upheld without making a finding on reasonable and proportionate checks. After all, if matters had played out as the evidence suggests they should have done in June 2021, then I'm not persuaded that Marbles would've added to the credit.*

*I've also considered whether the relationship might have been unfair under s.140A of the Consumer Credit Act 1974. However, I'm satisfied the redress I have directed at the end of this decision results in fair compensation for Miss R in the circumstances of her complaint. I'm satisfied, based on what I've seen, that no additional award would be appropriate in this case."*

I invited both parties to let me have any further submissions before I reached a final decision. Marbles did not respond to the provisional decision. Miss R responded to the provisional decision. In summary, she said she should receive compensation from Marbles as although she was happy with the provisional decision, she has been in extreme financial distress for many months, and her credit score has plummeted due to not being able to afford to pay the Marbles outstanding balance.

Miss R said the missed payments to Marbles was the main impact. Miss R said that what happened had affected her for so long now, and Marbles offered her zero support other than multiple default threats.

### **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 must make Miss R aware I can only focus on the complaint she originally made to Marbles regarding the irresponsible lending as part of this complaint I'm reviewing. Miss R will be able to make a separate complaint directly to Marbles regarding how they've treated her when she had financial difficulties if she wishes to do so. If Miss R is unhappy with the outcome of her separate complaint, then she may be able to bring the separate complaint to our service.

I've considered what Miss R has said about her wanting compensation for what happened here due to the impact of the Marbles account on her credit file. But I'm persuaded that the redress I said I intended to ask Marbles to make is fair. I say this because this will remove the adverse information Marbles have recorded on her credit file after 1 June 2021, once she has cleared the balance. So this would rectify the issues she's mentioned regarding her credit file.

As I mentioned in the provisional decision "*if Marbles would have requested Miss R's bank statements as part of a proportionate check, I'm persuaded that Marbles would have still approved Miss R's account, and I'm persuaded they made a fair lending decision to provide her with a £900 credit limit.*" So I do think the approval of the account with a £900 credit limit was fair as this appeared affordable for Miss R. But I'm not persuaded that Marbles should have increased the credit limit higher than £900.

In summary, Miss R's response hasn't changed my view, and my final decision and reasoning remains the same as in my provisional decision. If Miss R is disappointed, I hope she understands my reasons.

### **Putting things right**

In the provisional decision I said I intend to uphold this complaint in part. I said I intend to ask NewDay Ltd trading as Marbles to take the following actions;

Marbles should arrange to transfer any debt back to themselves if it has been passed to a debt recovery agent or liaise with them to ensure the redress set out below is carried out promptly;

End the agreement and rework the account removing all interest, fees, charges, and insurances (not already refunded) that have been applied to balances above £900 after 1 June 2021;

If the rework results in a credit balance, this should be refunded to Miss R along with 8% simple interest per year\* calculated from the date of each overpayment to the date of settlement. Marbles should also remove all adverse information regarding this account from Miss R's credit file recorded after 1 June 2021;

Or, if after the rework the outstanding balance still exceeds £900, Marbles should arrange an affordable repayment plan with Miss R for the remaining amount. Once Miss R has cleared the balance, any adverse information recorded after 1 June 2021 in relation to the account should be removed from Miss R's credit file.

I'm still satisfied this is a fair outcome for the reasons given previously.

*\*If Marbles considers that they are required by HM Revenue & Customs to deduct income tax from that interest, they should tell Miss R how much they've taken off. They should also give Miss R a tax deduction certificate if she asks for one, so she can reclaim the tax from HM Revenue & Customs if appropriate.*

### **My final decision**

I uphold this complaint in part. NewDay Ltd trading as Marbles should settle the complaint in line with the instructions in the "*Putting things right*" section above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss R to accept or reject my decision before 10 September 2025.

Gregory Sloanes  
**Ombudsman**