

The complaint

Mr F complains that NewDay Ltd trading as Aqua lent irresponsibly when it approved his credit card application.

What happened

Mr F applied for an Aqua credit card in January 2025. In his application, Mr F said he was employed with an annual income of £24,000 that Aqua calculated left him with £1,733 a month after deductions. Aqua carried out a credit search and found Mr F had a default that was 65 months old. No other adverse credit or recent missed payments were noted on Mr F's credit file. Other unsecured debts totalling around £12,000 were noted with monthly repayments of around £495.

Aqua used estimates for Mr F's rent at £384 and general living expenses of £439 a month when it completed its affordability assessment. Aqua also included Mr F's repayments to his existing debts of £495. Aqua reached the position Mr F had a disposable income of £389 a month after covering his existing outgoings and commitments. Aqua approved Mr F's application and issued a credit card with a limit of £1,200.

Mr F went on to complain what Aqua lent irresponsibly. Aqua issued a final response but didn't agree it lent irresponsibly to Mr F and didn't uphold his complaint.

An investigator at this service looked at Mr F's complaint. They thought Aqua completed proportionate checks before approving Mr F's application and that its decision to proceed was reasonable based on the information it obtained.

Mr F asked to appeal and said that if Aqua had checked his bank statements it would've found he was gambling at a high level at the time of his application. Mr F also said his disposable income was lower than the figure reached by Aqua. Mr F added that the pressure of his debts had led him to request breathing space from Aqua to allow him to seek advice from a debt charity. Mr F also said that he suffers with serious health issues. As Mr F asked to appeal, his 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 Mr F 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 Aqua used when considering Mr F's application above. Mr F confirmed his annual income and Marbles calculated a net monthly figure of £1,733 that was used in its affordability assessment. I can see the credit file information obtained found a default that was 65 months old but I think it's fair to say it was historic in nature. There was no other adverse credit, payday loans or recent missed payments found on Mr F's credit file that might've indicated he was suffering financial difficulties. Mr F owed around £12,000 in other unsecured debts and they were all up to date at the point of application. Mr F's monthly repayments of £495 were also factored into Aqua's affordability assessment.

When completing its affordability assessment, Aqua used estimates for Mr F's rent of £384 and general living expenses of £439 a month. I understand Mr P's outgoings may've differed in reality. But the relevant lending rules allow Aqua to use reasonable estimates when considering an application for credit. And I haven't seen anything in the other application data gathered that would've indicated to Aqua its lending checks needed to go further or that using estimates obtained from nationally recognised statistics wasn't appropriate.

Aqua ultimately reached the position that Mr F had a disposable income of £389 a month after covering his existing outgoings. I'm satisfied that was a reasonable conclusion to reach following proportionate checks by Aqua. And I'm satisfied that repayments to a new credit card with a limit of £1,200 would've been sustainable with a disposable income at that level. I'm sorry to disappoint Mr F but as I'm satisfied Aqua completed proportionate checks when considering his application and its decision proceed was reasonable, I haven't been persuaded it lent irresponsibly.

I can see Mr F has forwarded copies of his bank statements that show he was gambling heavily in the months before his application was made. But, for the reasons noted above, I haven't seen anything in the application data it obtained that ought to have caused Aqua to consider more detailed checks, like checking Mr F's bank statements, before agreeing to lend. So whilst I accept Mr F was gambling, I haven't seen anything that shows Aqua acted unfairly by not reviewing his bank statements during the application process.

I understand Mr F obtained some breathing space after experiencing difficulties maintaining repayments. Mr F's confirmed that he sought assistance from a debt advice charity to help deal with his unsecured debts and has supplied the supporting paperwork. I'd expect Aqua to work with Mr F's representatives to ensure any payment plan it agrees is affordable. But I haven't seen anything that indicates Aqua treated Mr F unfairly.

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 Mr F or otherwise treated him 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 Mr F's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr F to accept or reject my decision before 24 October 2025.

Marco Manente
Ombudsman