

The complaint

Mr T complains that NewDay Ltd trading as Marbles lent irresponsibly when it approved his credit card application and later increased the limit.

What happened

Mr T applied for a Marbles credit card in June 2016. In his application, Mr T said he had an income of £21,000 a year that Marbles calculated left him with £1,364 a month after deductions. A credit search found a County Court Judgement (CCJ) in Mr T's name that was 29 months old and default information that was 43 months old. Missed payments for Mr T's other credit were also noted in the previous six months. The credit file shows Mr T owed around £8,350 in other unsecured debt and was making monthly repayments of £653. Marbles applied estimates for Mr T's rent of £202 a month and general living expenses of £424. After applying its lending criteria, Marbles calculated Mr T had £83 a month as a disposable income. Marbles approved Mr T's application and issued a credit card with a limit of £300.

Mr T used his credit card and the limit was increased by Marbles as follows:

| Event | Date | Limit |
|-------|--------|--------|
| App | Jun-16 | £300 |
| CLI1 | Mar-17 | £750 |
| CLI2 | Jul-17 | £1,250 |
| CLI3 | Dec-17 | £2,000 |
| CLI4 | Jul-18 | £2,900 |
| CLD | Jan-22 | £2,450 |
| CLI5 | Nov-23 | £3,950 |
| CLI6 | Mar-24 | £5,450 |

More recently, representatives acting on Mr T's behalf complained that Marbles lent irresponsibly and it issued a final response. Marbles said it had carried out the relevant lending checks before approving Mr T's application and increasing the credit limit and didn't agree it lent irresponsibly.

An investigator at this service upheld Mr T's complaint. They thought the disposable income figure of £83 a month was too low for Mr T to be able to sustainably afford repayments to a credit card with a limit of £300. The investigator noted that if Mr T were to make monthly payments of £30 to the new credit card, he'd only have around £50 a month remaining. Marbles didn't agree so Mr T's 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 Marbles had to complete reasonable and proportionate checks to ensure Mr T 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 Marbles used when considering Mr T's application above. I can see Mr T's income was considered and estimates for his regular outgoings were included in the affordability assessment completed. But the credit file shows Mr T had some reasonably significant credit issues in the previous few years, including a CCJ and default information. Further, missed unsecured repayments were also noted by Marbles in the preceding six months on Mr T's credit file. In addition, Marbles calculations reached the view Mr T only had £83 a month available as a disposable income. From that amount, Mr T needed to cover his new Marbles payment. And as our investigator said, if Mr T were to borrow to the £300 limit and attempt to clear it in a 12 month period, he'd have needed to make payments of around £30 a month. That would've only left Mr T with around £50 to cover his remaining expenses and any emergency or unexpected costs that may've arisen.

In my view, Mr T's credit file history and low disposable income shows he was unlikely to be able to sustainably manage further credit, even with a limit of £300. I haven't been persuaded that decision to approve Mr T's application and issue a credit card with a £300 limit was reasonable based on the information Marbles obtained. Overall, I'm satisfied Marbles lent irresponsibly when it approved Mr T's application so I'm upholding his complaint and directing it to refund all interest, fees and charges applied from the date of approval.

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, I'm satisfied the redress I have directed below results in fair compensation for Mr T in the circumstances of his complaint. I'm satisfied, based on what I've seen, that no additional award would be appropriate in this case.

My final decision

My decision is that I uphold Mr T's complaint and direct NewDay Ltd trading as Marbles to settle as follows:

- Rework the account removing all interest, fees, charges and insurances (not already refunded) that have been applied.
- If the rework results in a credit balance, this should be refunded to Mr T along with 8% simple interest per year* calculated from the date of each overpayment to the

date of settlement. NewDay should also remove all adverse information regarding this account from Mr T's credit file.

- Or, if after the rework there is still an outstanding balance, NewDay should arrange an affordable repayment plan with Mr T for the remaining amount. Once Mr T has cleared the balance, any adverse information in relation to the account should be removed from their credit file.

*HM Revenue & Customs requires NewDay to deduct tax from any award of interest. It must give Mr T a certificate showing how much tax has been taken off if he asks for one. If it intends to apply the refund to reduce an outstanding balance, it must do so after deducting the tax.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr T to accept or reject my decision before 16 October 2025.

Marco Manente
Ombudsman