

The complaint

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

What happened

Mr P applied for a Marbles credit card in June 2019. In his application, Mr P said he was employed with an annual income of £8,400. A credit search found Mr P had a mortgage and was making monthly repayments of £724 to his other unsecured debt which stood at around £18,000. Default information that was 26 months old was also noted on Mr P's credit file. Marbles approved Mr P's application and a credit card with a limit of £900 was issued.

Mr P used the credit card and Marbles went on to increase the limit to £1,900 in October 2022 and £2,400 in July 2023. In 2024 Mr P's account fell into arrears and was ultimately closed at default with an outstanding balance of £2,585.

More recently, representatives acting on Mr P'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 P's application and increasing the credit limit and didn't agree it lent irresponsibly.

An investigator at this service upheld Mr P's complaint. They thought the information available to Marbles in the application showed Mr P's income was already used up by his existing monthly debt repayments which meant a new credit card was not affordable. The investigator asked Marbles to refund all interest, fees and charges applied from inception. No response was received from Marbles so Mr P'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 P 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.

The application information and affordability assessment completed when Marbles approved Mr P's application appears incomplete. But I can see Mr P gave his annual income as £8,400 and I've used a monthly income of £700 in this assessment. The credit file results showed Mr P was already making monthly repayments of £724 to his existing credit commitments. In addition, whilst the monthly repayment figure isn't recorded in the affordability assessment, I note Marbles found Mr P had a mortgage when he applied. I can see from the credit file data provided that had a monthly repayment of £126. That means, at a minimum, Mr P's outgoings came to £850 a month without factoring in any spending on normal outgoings like food, fuel or utilities. Given Mr P's monthly income was around £700, I think it ought to have been clear to Marbles he wasn't in a position to sustainably afford any new credit and taken the decision decline his application.

For the reasons I've noted above, I'm upholding Mr P's complaint from the point of application and directing Marbles 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 P 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 P'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 P 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 Mr P's credit file.
- Or, if after the rework there is still an outstanding balance, Marbles should arrange an affordable repayment plan with Mr P for the remaining amount. Once Mr P has cleared the balance, any adverse information in relation to the account should be removed from their credit file.

If Marbles has sold the debt to a third party, it should arrange to either buy back the debt from the third party or liaise with them to ensure the redress set out above is carried out promptly.

*HM Revenue & Customs requires Marbles to deduct tax from any award of interest. It must give Mr P a certificate showing how much tax has been taken off if he/she 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 P to accept or reject my decision before 24 October 2025.

Marco Manente
Ombudsman