

The complaint

Mrs H complains that NewDay Ltd (“NewDay”) lent two credit cards that were not affordable and provided increases on both which, again, were unaffordable.

What happened

In December 2020 Mrs H applied for - and was given – a Fluid credit card with NewDay. She was given the following credit limits:

Fluid Classic

Date	Event	New Credit Limit
December 2020	Account Opening	£300
March 2023	Credit Limit Increase (CLI) 1	£1,150

In September 2023, Mrs H applied for -and was given - an Aqua card which had limits as shown below:

Aqua Mastercard

Date	Event	New Credit Limit
September 2023	Account Opening	£1,200
January 2024	CLI2	£1,950
July 2024	CLI3	£2,200

In April 2025, Mrs H complained to NewDay because she felt it hadn’t carried out proportionate affordability checks. She said the initial lending and subsequent increases were irresponsible and caused her harm at a time of personal and financial instability. Mrs H told us that she was caring for two small children on her own, faced serious health concerns, and struggled with a gambling addiction. As a result of irresponsible lending, she feels that NewDay pushed her into a harmful debt cycle.

NewDay responded in June 2025 and said that affordability had been assessed correctly on each occasion but that it should not have approved the final increase in July 2024 (CLI3) on the Aqua card. It has offered a refund of charges and interest accrued on balances over £1,950 (CLI2). Mrs H did not accept this offer so she referred her complaint to our Service and an investigator reviewed her case. The investigator agreed with NewDay and felt that reasonable and proportionate checks were carried out and fair lending decisions had been made for both account openings, and the credit limit increases under consideration.

Mrs H asked for an Ombudsman to review her case and because of this, the complaint has been passed to me for 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.

Having done so, I agree with the opinion of the investigator. I appreciate this will likely come as a disappointment to Mrs H, so I’ll explain my reasoning below.

The rules and regulations require NewDay to carry out a reasonable and proportionate assessment of whether Mrs H could afford to repay what she would owe if she utilised the full amount on her credit cards. This means an assessment should be conducted that relates to the specific circumstances of Mrs H and that specific lending. Factors such as amount, type and cost of credit should be assessed alongside individual circumstances such as financial history, current situation and outlook, indications of vulnerability, or signs of financial difficulty.

At the point of each application and increase, NewDay used both the information declared to them from Mrs H, information gathered from the CRAs, and their own internal data.

Fluid Card Application

For the first application, Mrs H declared an annual income of £10,000. NewDay checked her credit file and it showed that her last default had been 42 months ago, there were no current payday loans, or CCJs, and no Individual Voluntary Arrangements (IVAs) in place. I do not think NewDay acted unfairly when providing her with the first credit card. I say this because it was for a relatively modest amount (£300) which would mean similarly modest repayments even if the entire credit facility was utilised (around £15). I think it reached a fair decision to open the card and provide a £300 limit.

Fluid Card CLI1

In the case of the Fluid card increase, NewDay verified Mrs H's income using CATO (Current Account Turnover Data) and saw that £2,617 was flowing through her current account on a monthly basis. They then calculated Mr H's outgoings using conservative estimates for essentials and CRA data for external debt (not including mortgages). NewDay also considered their own internal data and Mrs H's credit file data which showed;

- Positive repayment behaviours
- Reduced overall debt - consistently under 10% debt versus annual income
- No adverse factors in the credit file (such as CCJs, IVAs, payday loans)
- Significant time since any default

This affordability review showed a relatively high monthly disposable income and NewDay concluded that, if the credit was utilised, repayments would be affordable to Mrs H. I think it reached a fair decision to provide the increase to £1,150.

Aqua Card Application and CLI2

For the new Aqua card, and subsequent increase, NewDay used Mrs H's declared monthly income of £2,213.30. They then calculated Mr H's outgoings using conservative estimates for essentials and CRA data for external debt (not including mortgages).

NewDay also considered their own internal data and Mrs H's credit file data which showed;

- Positive repayment behaviours
- Reduced overall debt - consistently under 10% debt versus annual income
- No adverse factors in the credit file (such as CCJs, IVAs, payday loans)
- Significant time since any default

These affordability reviews showed a relatively high monthly disposable income and NewDay concluded that, if the credit was utilised, repayments would be affordable to Mrs H. I think it reached a fair decision to open the second card and provide a credit limit of £1,200 and for the same reasons, I also think the increase to £1,950 was fair.

More than two years after her first application (the Fluid card at £300) Mrs H's financial position appeared to be more favourable, her digital footprint showed stability and an improving outlook, and her historical repayment behaviour with NewDay was good.

From what Mrs H has said, she was struggling throughout this time and underneath the positive looking financial data, her situation was worsening. Whilst I do not doubt what Mrs H has said, my role is to assess whether NewDay should have been aware of these struggles at the time of lending to her. Based on the information NewDay held about Mrs H and what it found out, I would not have expected it to ask any further questions before offering the credit limit increases.

The data available to NewDay did not reflect the difficulties Mrs H was experiencing – indeed it is only much later that Mrs H felt comfortable enough to share how she really felt during that time and the impact it is having now.

Whilst I do empathise with Mrs H, I am satisfied that NewDay conducted proportionate affordability checks and acted fairly when granting her credit card applications and credit increases.

CLI3

NewDay has acknowledged that it shouldn't have agreed CLI3 and has refunded charges and interest incurred as a result of that increase in line with our usual approach in these complaints. I don't therefore need to make a finding on CLI3.

As a final note on Mrs H's concerns, she has mentioned a previous complaint she brought against a different business that was upheld in her favour. I understand her comments in this regard but we assess each case on their own merits. In this case, the type of lending and the relationship is different from the previous complaint. I am satisfied that NewDay acted fairly in this instance.

In reaching my conclusion, I have considered whether the lending relationship between Mrs H and NewDay might have been unfair to Mrs H under Section 140A of the Consumer Credit Act 1974 ("CCA"). However, for the reasons I have already explained, I am satisfied that NewDay did not lend irresponsibly when providing Mrs H with the credit cards. I also have not seen anything to suggest that Section 140A CCA would, given the facts of this complaint, lead to a different outcome here.

My final decision

My final decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs H to accept or reject my decision before 17 February 2026.

Caroline Oliver
Ombudsman