

## **The complaint**

Mr S complains that NewDay Ltd irresponsibly provided him with credit.

## **What happened**

My decision here focusses on three of Mr S' accounts (the "Amazon", "Argos" and "AO" brands); the remaining accounts are subject to another complaint – for which I'll issue a separate decision – except Mr S' "Aqua" account, which hasn't been reviewed given it was already upheld by NewDay prior to him contacting this Service.

The overall complaint is well-known to both parties. So, I won't go over every detail here; instead, I'll briefly summarise events up until this point:

- Mr S held several credit cards with NewDay: six in total, each carrying a different brand.
- Mr S considers NewDay to have provided credit irresponsibly for each account. He doesn't believe sufficient checks were carried out to properly assess his ability to sustainably repay the credit.
- Mr S says his financial position was much worse than what NewDay uncovered in its checks. He also disputes some of the data gathered by NewDay, and he thinks it was unreasonable of NewDay to have relied upon it.
- An Investigator here reviewed what had happened; having done so, they didn't think Mr S' complaint should be upheld. They considered that proportionate checks had been carried out for all lending decisions on all three accounts under review here, and nothing in the data returned to NewDay would've caused it not to lend.
- Mr S disagreed. He reiterated his points about how his financial position was, in reality, much worse than NewDay uncovered. Mr S provided evidence which he considered supportive of his position, like his pay slips.
- The Investigator reconsidered, but they didn't change their mind.
- Mr S asked for an Ombudsman's decision and, as no agreement has been reached, his complaint has been passed to me.

## **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.

### Preamble

Mr S will see the same wording below in the other decision I've issued, so I wanted to explain that I've repeated it here for consistency given all final determinations are published.

I want to reassure Mr S that what follows here is not simply a copy of the decision for his other complaint; I've treated this matter with the same due attention and, while there may be some repetition, I have reviewed these accounts in their own right.

At the outset, I want to acknowledge Mr S' clear strength of feeling over what happened here. I'm left in no doubt whatsoever that he is, and has been, in a very difficult position both financially and personally. Before I cover anything else, I'd certainly encourage Mr S to reach out to organisations which can provide support and advice; our Service will be happy to pass on contact details of such groups, should Mr S like them.

Moreover, I know Mr S is frustrated at how his complaints have been administered; I entirely understand why he'd prefer for all accounts and lending decisions to be considered under one case. So, I want to reassure Mr S that even though his overall complaint has been split across two cases, I have considered things holistically; I've looked at all events, and incorporated actions on all accounts into my overall review. Put simply, while Mr S will receive two separate decisions, within which there may be some repetition, I have considered his overall complaint as one.

Finally, before I move to address the merits of Mr S' complaint, I'll be clear that I have read and considered all that he – and NewDay – have said and provided, but I haven't commented on each and every point. Instead, I've focussed on what I deem to be the crux of the matter, and I've deliberately not addressed each lending decision individually. That's because I consider there to be little value in me covering the same ground, in the same way, as our Investigator – Mr S has been very clear about why he disagrees with those findings, so his rebuttal is what I've focussed on. Fundamentally, our role is to be an informal service; I don't intend any discourtesy in my concise approach, it's simply to align with that purpose.

#### Mr S' complaint about his "Amazon", "Argos" and "AO" cards

I've set out the history of these three accounts below:

##### **Amazon**

- Account opened in May 2021, with an initial limit of £500.
- Credit limit increased in June 2021, to £800.
- Credit limit increased again, in October 2021, to £1,500.
- Credit limit increased for a final time, in February 2022, to £2,500.

##### **Argos**

- Account opened in July 2021, with an initial limit of £800.
- One credit limit increase, in 2022, to £1,300.

##### **AO**

- Account opened in September 2021, with an initial limit of £1,200.
- Credit limit increased in March 2022, to £2,700.
- Credit limit increased again, in September 2022, to £4,200.

As with Mr S' other complaint, our Investigator already set out the level of checks NewDay completed for each lending decision here across both accounts, so I won't repeat the same

ground in the same detail. In summary though, NewDay carried out an affordability assessment by reviewing Mr S' income and expenses, and it also looked at Credit Reference Agency ("CRA") data to build a view of his existing credit commitments and how he was managing them. NewDay has said it would've taken Mr S' management of the other accounts he held with it into consideration too, and I've kept that in mind here.

Again, to reiterate the same point I made in Mr S' other complaint, there are no fixed checks a business must complete when reviewing an application for credit. There isn't a requirement, of any kind, on a lender to review specific things such as payslips, or bank statements, for example. Rather, it was up to NewDay to determine what it would like to see; its obligation was to perform proportionate checks to be able to understand whether Mr S could make his payments in a sustainable manner before agreeing to lend. How it did so, was ultimately up to NewDay.

We know Mr S doesn't think NewDay did enough to understand his financial circumstances before providing him credit; on the other hand, our Investigator thought NewDay had completed proportionate checks, and reasonably interpreted the data returned as a result of those checks, before lending. So, I've reviewed each lending decision, across all three accounts, to determine whether I think NewDay acted fairly and reasonably in the circumstances.

Having done so, while this will greatly disappoint Mr S, I think it did; it follows that there aren't grounds, in my view, to conclude that NewDay lent to him irresponsibly.

To explain, looking at the results of all the checks NewDay carried out before agreeing to lend, I can't see that any returned evidence of significant adverse information, like recent defaults, County Court Judgments or Individual Voluntary Arrangements against Mr S. Nor did NewDay's checks appear to suggest that, on the face of it, Mr S would struggle to afford the repayments for the credit he was being given. Some adverse information was present – like a historic default – but, on balance, I don't think it would've been enough to cause major concerns, or that such information would've prompted NewDay not to lend.

As with Mr S' other complaint, there is argument here to say that NewDay ought to have gone further where its checks identified a much higher income figure than he'd declared. There's further argument too, to say that the longer that went on, and the more times it found an apparent discrepancy, then NewDay should have gathered more information about Mr S' financial situation; but even if NewDay *had* gone further, I think it likely still would've reasonably provided Mr S the credit.

That's because carrying out further checks doesn't necessarily mean forensically reviewing Mr S' statements for his outgoings, or general current account conduct. Rather, his income and essential expenditure – along with existing commitments – are likely what would've been in focus; NewDay could've obtained that information in a variety of ways. If NewDay had done such checks, or if it had noted in those it did carry out, that there was a heavy reliance on other lending, or payday loans, for example, then it should've taken note. But I don't think such concerns would've arisen here.

From what I've seen, it's unlikely any deeper review NewDay might've undertaken of Mr S' circumstances would've uncovered an issue with borrowing from other sources. Even if it did see borrowing elsewhere, through further review of Mr S' circumstances, then NewDay likely wouldn't have considered Mr S as having any issues managing it. As I've said above, its checks didn't return recent adverse information from CRAs and nor did it indicate that Mr S was borrowing up to, or close to, all of his available overall credit.

In the round then, I'm not persuaded that NewDay did uncover – or would have uncovered – reason not to lend to Mr S. It's clear the true picture of his finances was being masked, Mr S

has said himself that was the case, but I can't hold NewDay responsible for not knowing that, and I don't think it likely that NewDay would've discovered the reality of his wider financial situation even if its checks had gone further. I don't think that's a failing on the part of NewDay. So, for the reasons I've already given, I can't fairly conclude that NewDay acted irresponsibly or otherwise treated Mr S unfairly in relation to this matter; it follows that I don't uphold the complaint. 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 final decision is that I don't uphold Mr S' complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr S to accept or reject my decision before 24 February 2026.

Simon Louth  
**Ombudsman**