

The complaint

Miss W complains that NewDay Ltd trading as Fluid (“NewDay”) irresponsibly lent to her.

What happened

In September 2022 Miss W applied for a credit card with NewDay. The application was accepted and she was given an initial limit of £2,500.

The limit was increased on a further two occasions. The first time it was increased was in May 2023 to £4,000 and the second time was in April 2024 to £5,500.

In 2025 Miss W complained to NewDay. She said she felt the lending was irresponsible because at the time of application, she was on a reduced income due to maternity leave. She feels they didn’t carry out proportionate checks. She feels the credit card has led her to further financial difficulties.

NewDay responded to the complaint. In their final response letter they said they were satisfied the lending was provided responsibly. They felt Miss W had sufficient disposable income to sustainably repay the card and had no payday loans, no repayment arrangements and no County Court Judgements (CCJs).

Miss W wasn’t happy with the response, so she referred her complaint to our Service. An Investigator here looked into things. At first, they said they didn’t think the checks were reasonable and proportionate, but as Miss W didn’t want to share her current account statements, they couldn’t piece together what reasonable and proportionate checks would’ve shown.

In response to the opinion, Miss W provided her current account statements. The Investigator issued a second opinion. This time they said having reviewed the statements, it looks as though Miss W had sufficient disposable income to repay the credit card in a sustainable way.

Because an agreement couldn’t be reached, the complaint has been passed to me to decide.

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.

The rules and regulations in place at the time NewDay provided Miss W with the credit card and subsequent increases required them to carry out a reasonable and proportionate assessment of whether she could afford to repay what she owed in a sustainable manner. This is sometimes referred to as an ‘affordability assessment’ or ‘affordability check’.

The checks had to be ‘borrower’ focused. This means NewDay had to think about whether repaying the credit sustainably would cause difficulties or adverse consequences for Miss W.

In other words, it wasn't enough for NewDay to consider the likelihood of them getting the funds back or whether Miss W's circumstances met their lending criteria – they had to consider if Miss W could sustainably repay the lending being provided to her.

Checks also had to be 'proportionate' to the specific circumstances of the lending. In general, what constitutes a proportionate affordability check will be dependent on a number of factors including – but not limited to – the particular circumstances of the consumer (e.g. their financial history, current situation and outlook, any indications of vulnerability or financial difficulty) and the amount/type/cost of credit they were seeking. I've kept all of this in mind when thinking about whether NewDay did what was needed before lending to Miss W.

Account opening

At the time of application, NewDay completed checks using a credit reference agency (CRA) report and information provided to them by Miss W.

They recorded that Miss W was earning a salary of around £2,400 per month and had outstanding debt of around £793 per month. Miss W didn't have any defaults at the time of application.

I believe the checks NewDay carried out were proportionate, and considering the amount being provided to Miss W, and the information they gathered in these checks, I don't think they acted unfairly when providing her with the credit card. I say this because there were no signs of financial difficulty in the past and it wouldn't be a significant cost for Miss W to repay this credit in a reasonable period of time based on her salary and existing credit commitments.

Limit increase one

When providing the first limit increase NewDay ought to have completed further checks. I say this because overall Miss W's debt was significant, and stayed consistent rather than making inroads to pay off what was owed. She was also making the minimum repayments to the credit card and stayed close to the overall credit limit.

In order to work out what proportionate checks would've shown, it's easiest for us to review current account statements from the time. This isn't because we think NewDay ought to have done that, but because it helps us piece together an accurate income and expenditure assessment.

Having looked at Miss W's current account statements, I think NewDay would've still provided her with the increase. I say this because she had a significant amount of money into the account, her fixed expenditure left her with over £600 a month disposable income. I'm satisfied that if NewDay had completed a full income and expenditure assessment with Miss W, they would've found she had sufficient disposable income to afford the increase to £4,000 and still would've lent.

So, it follows that I believe NewDay, despite the checks not being proportionate did make a fair decision to lend.

Limit increase two

During the period between limit increase one and two, Miss W had made some overpayments towards the card. But her overall debt had increased and a significant period

of time had passed between the two lending decisions, and so again, I think NewDay ought to have completed further checks to ensure the lending was affordable for Miss W.

Same as before, I've considered Miss W's current account statements from the time to work out what a proportionate check would've shown.

Having done so, again, I'm satisfied that NewDay would've still lent to Miss W had proper checks been carried out. I say this because her income had increased since the previous lending decision and her disposable income was closer to £700.

I appreciate this will come as a disappointment to Miss W and I'm not disputing the difficulties she was facing, however this isn't information that would've been obvious to NewDay when completing checks to be sure the lending was affordable.

Miss W has made suggestions that NewDay aren't cooperating with her debt management plan administrators, so I'll use this opportunity to remind NewDay of their obligations to treat customers with forbearance.

In reaching my conclusions, I've also considered whether the lending relationship between NewDay and Miss W might have been unfair to Miss W under s140A of the Consumer Credit Act 1974 ("CCA"). However, for the reasons I've already explained, I'm satisfied that NewDay did not lend irresponsibly when providing Miss W with the credit card or by increasing her credit limit. And I haven't seen anything to suggest that s140A CCA would, given the facts of this complaint, lead to a different outcome here.

So while it'll likely come as a disappointment to Miss W, I won't be upholding her complaint against NewDay for the reasons explained above.

My final decision

It's my final decision that I do not uphold this complaint against NewDay Ltd trading as Fluid.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss W to accept or reject my decision before 17 December 2025.

Meg Raymond
Ombudsman