

## The complaint

Mr F complains that NewDay Ltd lent irresponsibly when it approved three credit card applications he made and increased the limit on all the accounts.

## What happened

The background to this complaint and my initial conclusions were set out in a provisional decision. I said:

*Mr F applied for a Marbles credit card with NewDay in April 2016. In his application, Mr F said he was employed with an annual income of £19,000 that NewDay calculated left him with £1,319 a month after deductions. A credit search found two County Court Judgements (CCJs) that were 15 months old and default information that was 30 months old. Existing debts totalling £2,796 with monthly repayments of £317 were noted. No recent arrears were recorded on Mr F's credit file. NewDay applied estimates of £422 for Mr F's general living expenses and £223 a month for his housing costs to its affordability assessment. NewDay says Mr F had a disposable income of £341 a month. NewDay approved Mr F's Marbles application and went on to issue a credit card with a £250 limit.*

*Mr F used the Marbles credit card and NewDay went on to increase the credit limit as follows:*

<b>Event</b>	<b>Date</b>	<b>Limit</b>
App	Apr-16	£250
CLI1	Oct-16	£400
CLI2	Feb-17	£1,000
CLI3	Nov-17	£1,600
CLI4	Sep-18	£2,500
CLI5	Jan-19	£3,600
CLI6	Aug-20	£3,750

*Mr F applied for an Opus credit card with NewDay in January 2018. In his application, Mr F said he was employed with an annual income of £23,000 that NewDay calculated left him with £1,466 a month after deductions. A credit search found Mr F had three CCJs, the newest of which was 14 months old and default information that was 51 months old. Existing debts of £2,868 with monthly repayments of £239 were found. Estimates for Mr F's general living expenses of £460 and housing cost of £227 a month were used by NewDay in its lending assessment. NewDay says Mr F had a disposable income of £523 a month and issued a credit card with a limit of £600.*

*Mr F used the Opus card and NewDay went on to increase the credit limit as follows:*

<b>Event</b>	<b>Date</b>	<b>Limit</b>
App	Jan-18	£600

CLI1	Sep-18	£1,500
CLI2	Jan-19	£2,250
CLI3	Aug-20	£2,350

Mr F applied for an Argos credit card with NewDay in September 2019. In his application, Mr F said he had an annual income of £25,500 that NewDay calculated left him with £1,593 a month after deductions. A credit search found two CCJs in Mr F's name, the newest of which was 34 months old and default information that was 71 month old was also noted. Debts totalling £8,635 with monthly repayments of £500 were found. NewDay used estimates of £433 for Mr F's general living expenses and £231 a month for Mr F's rent. After applying its affordability criteria, NewDay says Mr F had a disposable income of £413 a month. NewDay approved Mr F's Argos application and issued a credit card with a limit of £600.

Mr F used the Argos card and NewDay went on to increase the credit limit as follows:

Event	Date	Limit
App	Sep-19	£600
CLI1	Sep-20	£1,000
CLI2	Nov-20	£1,600
CLI3	May-21	£1,800
CLI4	Nov-21	£2,300
CLI5	Oct-22	£2,750

More recently, Mr F complained that NewDay lent irresponsibly and it issued a final response. NewDay thought the decisions to approve the Marbles and Opus accounts were reasonable. But NewDay agreed the decision to increase both credit limits wasn't reasonable and arranged to refund all interest, fees and charges applied to balances above the initial credit limits from the dates they were approved. NewDay didn't uphold Mr F's complaint about the Argos account opened in September 2019.

An investigator at this service upheld Mr F's complaint but NewDay hasn't issued a response. As a result, Mr F's complaint has been passed to me to make a decision.

### **What I've provisionally 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.

I've taken the step of issuing a provisional decision as I didn't think the investigator's view of Mr F's complaint clearly explained how they reached the decision to uphold it or what NewDay should do to resolve the issues raised. As a result, I'm issuing a provisional decision to clarify why I'm upholding Mr F's complaint and what I think NewDay should do to resolve matters.

Before agreeing to lend or increasing the credit limit, the rules say NewDay had to complete reasonable and proportionate checks to ensure Mr F 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 NewDay used when considering Mr F's Marbles application above. I can see Mr F confirmed his income and a credit search was completed. CCJ and default information was noted but it had been some time since it was recorded. No recent arrears were noted on Mr F's credit file and I can see he had reasonably modest outstanding debts of £2,868.*

*I'm satisfied NewDay carried out a reasonable affordability assessment by using estimates for Mr F's key outgoings and his monthly debt repayments. NewDay reached the position Mr F had £341 a month available after covering his existing outgoings and I'm satisfied that was a reasonable conclusion to make. I think it's reasonable to note the credit limit of £250 was modest which reduced the potential for financial harm to Mr F.*

*Overall, I'm satisfied NewDay completed reasonable and proportionate checks when considering the amount and type of credit it went on to approve. And I'm satisfied the decision to approve Mr F's Marbles application and issue a credit card with a limit of £250 was reasonable based on the information NewDay obtained. I'm sorry to disappoint Mr F but I haven't been persuaded NewDay lent irresponsibly when it approved his Marbles application.*

*I can see that NewDay has already upheld Mr F's complaint about the Marbles account from the first credit limit increase onwards and arranged to refund all interest, fees and charges applied to balances over £250 from October 2016 onwards. Whilst NewDay hasn't specifically said why it's taken that step, I note Mr F had active payday loans on his credit file during the period his Marbles credit limit was increasing.*

*As NewDay has already upheld the remaining credit limit increases for the Marbles account, in line with what I would've told it to do, I'm not going to comment further other than by saying I agree with its decision. I've taken the information available in the Marbles case file into account when considering Mr F's other complaints.*

*I can see that the credit file results from the Opus application in January 2018 found Mr F now had three CCJs recorded. The credit search results provided by NewDay show that no recent arrears or payday loans were recorded on Mr F's credit file. But if we look at the running credit file results provided in the Marbles case file, we can see it recorded that Mr F had five active payday loans in place in January 2018. That's information I've taken from NewDay's own case file which is at odds with the application data it used. But I'm satisfied that in January 2018 (and in the preceding months) NewDay already had evidence that Mr F had multiple payday loans at play. In my view, that was important information that I'd have expected NewDay to take into account when considering Mr F's Opus application.*

*I haven't been persuaded that NewDay lent responsibly when it approved Mr F's Opus application. In my view, the existence of multiple payday loans, three CCJs, defaults and active debts of around £8,500 all indicate he wasn't in a stable financial situation. Overall, I'm satisfied the decision to approve Mr F's Opus application and issue a credit card with a limit of £600 was irresponsible given the information NewDay had at hand. As a result, I*

*intend to uphold Mr F's complaint about NewDay's decision to approve his Opus application and issue a credit card with a limit of £250. To resolve Mr F's complaint, NewDay should refund all interest, fees and charges applied to the Opus card from the date it was approved.*

*I can see NewDay has already upheld Mr F's complaint about the remaining credit limit increases on the Opus card and agreed to refund the interest, fees and charges applied. I'm satisfied that's a fair settlement and in line with what I would've told NewDay to do had no offer been made.*

*Mr F applied for the Argos credit card in September 2019. Again, Mr F confirmed his income and a credit search was completed. I can see Mr F's credit file shows he still had two CCJs at this point. And, again, whilst the application credit search says Mr F didn't have any payday loans, the information recorded in NewDay's running files for both Mr F's Marbles and Opus accounts show he actually had an active payday loan in September 2019. The case files for both the Marbles and Opus accounts show Mr F had active payday loans continuously from June 2016 onwards.*

*Given the CCJs on his credit file, the default information, existing debts, long history of payday lending and the fact Mr F already had two accounts with NewDay, I think it should've been clear that new borrowing was unlikely to be affordable. In my view, the information available to NewDay showed Mr F was already struggling and not in a stable financial position at the point he applied for his Argos account. Taking all the available information into account, I haven't been persuaded NewDay lent responsibly when it approved Mr F's Argos application. As a result, I intend to uphold this part of Mr F's complaint and direct NewDay to settle by refunding 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 F 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.*

I invited both parties to respond with any additional comments or information they wanted me to consider before I made my final decision. Neither party responded.

### **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.

I note that the provisional decision was issued on 1 October 2025 and that NewDay contacted us on 4 October 2025. But the response was to accept the investigator's view, not the provisional decision. NewDay's response said it was willing to refund the interest, fees and charges applied to the Argos account but no mention was made of the Marbles and Opus accounts. No additional response has been received from NewDay following the provisional decision it was sent.

As no new information has been provided, I see no reason to change the conclusions I reached in my provisional decision. I still think Mr F's complaint should be upheld, for the same reasons.

### **My final decision**

My decision is that I uphold Mr F's complaint and direct NewDay Ltd to settle as follows:

## Marbles account

- Rework the account removing all interest, fees, charges and insurances (not already refunded) that have been applied to balances above £250 after October 2016.
- If the rework results in a credit balance, this should be refunded to Mr F 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 recorded after October 2016 regarding this account from Mr F's credit file.
- Or, if after the rework the outstanding balance still exceeds £250, NewDay should arrange an affordable repayment plan with Mr F for the remaining amount. Once Mr F has cleared the outstanding balance, any adverse information recorded after October 2016 in relation to the account should be removed from their credit file.

For the Opus and Argos accounts:

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

If NewDay] has sold the any of the debts to a third party, it should arrange to either buy them back or liaise with them to ensure the redress set out above is carried out promptly.

\*HM Revenue & Customs requires NewDay to deduct tax from any award of interest. It must give Mr F 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 F to accept or reject my decision before 14 November 2025.

Marco Manente  
**Ombudsman**