

The complaint

Mr L complains that NewDay Ltd trading as Marbles closed his account unfairly.

What happened

Mr L opened a credit card account with NewDay in 2021.

In April 2025 Mr L raised an irresponsible lending complaint, as he believed that when he opened the account in 2021 NewDay hadn't carried out reasonable checks.

The irresponsible lending complaint was upheld and NewDay sent a final response to Mr L on 28 July 2025 in which it agreed to refund interest and charges from August 2024 and suspend interest and charges on the account going forward.

Mr L subsequently found that his card had been blocked. He contacted NewDay and was advised that his account had been closed.

Mr L complained to NewDay and asked them to reinstate the account. NewDay issued a final response on 21 August 2025. It said it had closed the account on 28 July 2025 following Mr L's complaint about irresponsible lending and said it had explained in its final response letter that as a responsible lender it wanted to ensure affordable borrowing and had decided that based on the concerns raised in Mr L's irresponsible lending complaint, the account should be closed for future spending with immediate effect. NewDay said the account had been closed to new transactions, but the balance should continue to be paid in time each month.

Mr L remained unhappy and brought his complaint to this service. He said his irresponsible lending claim had been in relation to when he opened the account in 2021 when his financial situation was less stable. He said that since then, the credit limit on the account had been increased, the account wasn't in arrears and there was no reason to close the account without communication with him first. Mr L said he believed that NewDay had closed his account to punish him for making an irresponsible lending claim.

Our investigator didn't uphold the complaint. She said that she didn't think NewDay had acted unreasonably by closing the account because it had acknowledged that the lending may have been unaffordable for Mr L.

Mr L didn't agree. He said he would accept that NewDay had acted reasonably if he had been experiencing financial difficulties currently, but said he was not. He said his irresponsible lending claim was in relation to when the account was first opened which was over 4 years ago.

Because Mr L didn't agree I've been asked to review the complaint.

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 know it will disappoint Mr L, but I agree with the investigator's opinion. I'll explain why.

It isn't in dispute that Mr L raised a complaint about irresponsible lending which was upheld.

Mr L has said that his complaint about irresponsible lending related to the time when he opened the account in 2021. He said his financial situation was different now and he wasn't experiencing difficulties repaying the credit.

I've reviewed Mr L's irresponsible lending complaint. I can see that it wasn't upheld from the date when the account was opened in 2021 but instead was upheld from August 2024 onwards. The entire period of lending (including any credit limit increases) is reviewed when a complaint about irresponsible lending is made.

So, in Mr L's irresponsible lending complaint, NewDay agreed that his credit limit shouldn't have been increased above £3550, as they could see that he may have been experiencing financial difficulties from August 2024. This is why a refund of interest and charges totalling £504.75 has been issued to Mr L from August 2024 onwards on the balance above £3550.

Against this background, I don't think it was unreasonable for NewDay to close the account for future spending. Where a complaint of unaffordable or irresponsible lending has been upheld – in this case from August 2024 – then I would expect a lender to take appropriate steps to make sure a customer doesn't fall further into debt.

In addition, NewDay's terms and conditions allow it to cancel or suspend the use of an account where they reasonably believe that there is an increased risk that the customer may not be able to repay the amount owed, either because of the way the account has been managed, because of information received from credit reference agencies or because they reasonably believe that the customer may be in financial distress.

I think – given the decision in Mr L's irresponsible lending complaint – that NewDay had reasonable grounds to believe that Mr L may be in financial distress.

I appreciate that Mr L feels that he should have been given prior notification that his account was being closed. I've reviewed the terms and conditions. These state that NewDay will tell a customer about any planned changes at least 30 days before they are made. In this case, NewDay suspended Mr L's account when they issued the final response letter in the irresponsible lending complaint on 28 July 2025. I don't think the terms and conditions are referring to account closure or suspension when they refer to 30 days' notice. They are referring to other changes. Sometimes it's necessary to close or suspend an account at short notice, which is what has happened here. I can't see that Mr L has been financially disadvantaged by the short notice, because he's received a refund of interest and charges from August 2024, and all interest and charges on the balance have been frozen going forwards whilst he repays the account.

My final decision

My final decision is that I don't uphold the complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr L to accept or reject my decision before 12 December 2025.

Emma Davy

Ombudsman