

The complaint

Miss G complains that NewDay Limited (NewDay) trading as Marbles irresponsibly provided her with credit.

What happened

NewDay provided Miss G with a credit card in January 2019. The credit provided was £450. It was subsequently increased to £1,200 in July 2019.

In summary, Miss G complained that she hadn't been adequately assessed for credit. Her complaint was rejected by NewDay in its final response letter of July 2025. Miss G remained unhappy and brought her complaint to this service. During the course of our investigator's work, NewDay reviewed the complaint and decided to overturn its original decision. It considered that its lending may not have been suitable for Miss G from the outset.

To put things right, it offered to refund all interest, all overlimit fees, all cash advance fees, and all late payments fees (not already refunded) applied to Miss G's account since opening. NewDay also offered to make arrangements for this sum to be credited to her account which was now held with a debt purchaser. NewDay also agreed to remove any adverse information recorded on Miss G's credit file from account opening once the outstanding balance had been paid off in full.

Miss G rejected NewDay's offer for a number of reasons. She considered that compensation for distress and inconvenience should be awarded. She also sought the removal of any adverse credit information immediately and also asked that any refund be paid to her, rather than credited to her account which was held with a debt purchaser. One of our investigators looked into matters and thought NewDay's offer to put matters right was fair.

Miss G didn't agree with the investigator's view and so the complaint has been passed to me to make 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.

I've looked at all of the information on file, although I may not have commented on everything.

Irresponsible Lending

NewDay has already upheld Miss G's complaint about irresponsible lending. It made the following offer:

- A refund of all interest, all overlimit fees, all cash advance fees, and all late payments fees (not already refunded) applied to Miss G's account since opening.
- This would result in Miss G being due a refund of £1,164.95 in interest, £62 in fees, totalling £1,226.95.
- As Miss G's account was sold to a debt purchaser in October 2022, it instructed the debt purchaser to reduce the balance by £1,226.95. It concluded that Miss G was not entitled to any interest because of an outstanding balance on the account.
- It also agreed to arrange for the removal any adverse information recorded on Miss G's credit file since the account's opening once the outstanding balance had been settled.

NewDay has already carried out some of these actions. And, in subsequent correspondence with us, it also agreed to liaise with the debt purchaser to ensure that an affordable repayment plan is put in place to deal with the remaining balance due on Miss G's account.

I've considered this offer and the further action taken or agreed by NewDay. I think it represents a fair outcome and is consistent with what this service would reasonably expect in these circumstances.

Payment of any redress due to Miss G directly

In subsequent correspondence with us, Miss G accepted that the refund arising from the 'rework' should be applied to the outstanding balance of her account, rather than being paid directly to her. As a result, I don't need to comment on this aspect further as it doesn't appear to be in dispute.

Additional payment for distress and inconvenience

Miss G cited a number of reasons why she felt that a modest award for distress and inconvenience should be made. She highlighted the pressure, anxiety and the emotional impact, especially since NewDay had ultimately changed its mind on her complaint. Her anxiety also extended to worrying about her defaults and credit file. She also referred to her vulnerability arising from her age, low income and financial difficulties. She highlighted the Financial Conduct Authority's (FCA) Principles for Business and specifically Principle 6 together with the contents of the FCA's Consumer Credit Sourcebook (CONC) as it related to irresponsible lending, amongst other points.

In summary, Principle 6 requires firms to pay regard to the interests of customers and to treat them fairly. In making a lending decision, CONC requires firms to undertake a reasonable assessment of the creditworthiness of a customer. I've given these obligations some thought in determining Miss G's complaint. I've also considered the FCA's definition of a vulnerable customer and I acknowledge Miss G's vulnerabilities.

I accept that Miss G has found her experience a stressful one. However, when NewDay subsequently reviewed Miss G's complaint, it accepted that its lending had been irresponsible. It went on to make an offer and subsequently agreed to liaise with the debt purchaser to establish an affordable debt repayment plan, which is in line with what this service would reasonably expect in the circumstances.

Miss G also highlighted other decisions made by this service which included a payment for distress and inconvenience. However, I wouldn't be persuaded that if, in another case, a further payment had been made, it created a precedent for Miss G's complaint. This is because the complaints we deal with relate to different facts and circumstances in each

case. As a consequence, they can lead to different outcomes based upon the individual circumstances of the complaint.

I've also considered Miss G's complaint as it relates to the damage caused to her credit file. I agree that NewDay should not have provided her with credit in the first place. However, Miss G already had four defaults recorded on her file in 2021. I don't think that the existence of the NewDay default in 2022 would have made a material difference to her situation had she sought further lending. Similarly, the payments due to NewDay were of small amounts relative to Miss G's unpaid direct debits. I could not say fairly that these unpaid direct debits from Miss G's bank account arose because she was having to make payments to NewDay. When taken together, I think the offer made by NewDay is fair and reasonable in the circumstances of this case. I appreciate that it will come as a disappointment to Miss G, but I don't think NewDay needs to do anything further than what it has already offered to do.

Putting things right

I note that NewDay has said it has already carried out some of these actions. However, for completeness, to put things right for Miss G, NewDay should:

- Rework the account removing all interest, fees, charges and insurances (not already refunded) that have been applied since account opening.
- If the rework results in a credit balance on the account, this should be refunded 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 Miss G's credit file.
- Or, if after the rework an outstanding balance remains, NewDay should arrange an affordable repayment plan for the remaining amount. Once Miss G has cleared the outstanding balance, any adverse information in relation to the account should be removed from her credit file.

*HM Revenue & Customs may require NewDay to take off tax from this interest. If it does, NewDay must give Miss G a certificate showing how much tax it's taken off if she should ask for one.

As NewDay has sold the debt to a third party, it should arrange to either buy back the debt or liaise with it to ensure that the redress set out above is carried out promptly.

I've also considered whether NewDay acted unfairly or unreasonably in some other way, including whether its relationship with Miss G might have been viewed as unfair by a court under Section 140A Consumer Credit Act 1974. However, I'm satisfied the redress outlined above results in fair compensation for Miss G in the circumstances of her complaint. I'm satisfied, based on what I've seen, that no additional award would be appropriate in this case.

My final decision

NewDay Limited trading as Marbles has already made an offer to do what's been set out above to settle the complaint, and I think this fair in the circumstances. So my final decision is that NewDay Limited trading as Marbles should do what I've set out above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss G to accept or reject my decision before 9 January 2026.

John Butler
Ombudsman