

The complaint

Miss W complains that NewDay Ltd, trading as Fluid, lent to her irresponsibly.

What happened

In June 2020, NewDay provided Miss W with a credit card. It had an initial opening limit of £500, and that limit was increased several times over the years; to £1,000 in January 2022, then to £1,750 in March 2023 and, finally, to £3,000 in February 2024.

Miss W complained to NewDay in 2025. She said, in summary, that credit had been provided to her irresponsibly. NewDay didn't uphold Miss W's complaint; it said it had lent responsibly based on the results of the proportionate checks it had carried out.

Miss W contacted this Service for an independent review, and an Investigator here looked at what had happened. Having done so, they didn't think Miss W's complaint should be upheld. In short, the Investigator said NewDay had indeed carried out proportionate checks; nothing in the results of those checks suggested the credit would be unaffordable for Miss W, or that she wasn't managing her financial situation well. So, overall, NewDay hadn't lent irresponsibly.

Miss W disagreed, and she asked for an Ombudsman's decision. Largely, she reiterated her belief that the lending wasn't affordable for her – and she questioned the results of NewDay's checks. As no agreement has been reached, Miss W's complaint has now 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.

As I understand it, Miss W is only complaining about two of NewDay's lending decisions: in March 2023, when her limit was increased to £1,750, and in February 2024, when the limit reached £3,000. So, those events are all I've focussed on here. I'll also explain, at the outset, that I haven't commented on each and every point Miss W has raised; instead, I've adopted a concise approach. That's not meant as a discourtesy, it's simply to align with our purpose as an informal service.

Turning to the merits of Miss W's complaint; to put things simply, when making a lending decision, NewDay needed to make sure that it didn't provide credit irresponsibly. In practice, what this means is that it needed to carry out proportionate checks to be able to understand whether any lending was sustainable; NewDay had to do so with Miss W's specific circumstances in mind before providing any credit.

Our website sets out what we typically think about when deciding whether a lender's checks were proportionate. Generally, we think it's reasonable for a lender's checks to be less

thorough – in terms of how much information it gathers and what it does to verify that information – in the early stages of a lending relationship. That said, we might think a lender needed to do more if, for example, a borrower's income was low, or the amount lent was high. Additionally, the longer the lending relationship goes on, the greater the risk of it becoming unsustainable and the borrower experiencing financial difficulty. So, we'd expect a lender to be able to show that it didn't continue to lend to a customer irresponsibly.

Here, before approving any credit, NewDay has told us that it gathered details of Miss W's income and essential expenditure to conduct an affordability assessment. It also used Credit Reference Agency ("CRA") data to help check Miss W's income, and to build a view of her existing credit commitments and how she was managing them. From what I've seen, the results of those checks painted a broadly stable picture of Miss W's finances. Recorded CRA data suggested her existing commitments were up to date; Miss W's income figures against her declared outgoings showed she'd have enough disposable income to meet the repayments, and no County Court Judgements or Individual Voluntary Arrangements were recorded either. Overall then, I consider those checks to have been proportionate in the circumstances, and I don't think the results ought to have given NewDay cause for concern.

I'll say at this point that I know Miss W's opinion is that NewDay's checks didn't uncover her true financial position. But the fact is that NewDay was entitled to rely upon the results of the proportionate checks it carried out; given there was no concerning data returned in those checks, and considering all of the circumstances here, I don't think it had reason to go further.

In any event, there are no fixed checks that businesses must complete when reviewing an application for credit. There's no requirement on a lender to review specific things such as bank statements, or wage slips, for example. So, I can't fairly say that NewDay was wrong to not run those sorts of checks here; there was no regulatory requirement to do so and, moreover, in my view, the results of the checks it did carry out didn't warrant further scrutiny. Instead, as I've said above, NewDay was entitled to make a decision based on the information gathered as a result of its proportionate checks.

Overall then, with all of that in mind, I'm satisfied that NewDay reasonably considered that Miss W could afford the credit. With no recent adverse information uncovered from its checks, and a positive outcome of the affordability assessment, I don't believe NewDay ought to have thought otherwise. So, while this will be disappointing for Miss W, it follows that I don't think the credit was unfairly or irresponsibly provided.

In closing, and to be clear, I'm not saying that Miss W wasn't – or isn't now – under financial pressure. It's just that here, in these circumstances, NewDay didn't discover that; and that's something I don't consider a failing, for the reasons I've explained. Primarily, as with any complaint, the key point to remember is that it's only fair and reasonable for me to uphold a complaint in circumstances where I can conclude a business did something wrong. Here, I don't think NewDay could have known – or ought to have known – that this credit was, or would become, unaffordable at the time of lending. So, for the reasons I've already given, I can't fairly conclude that NewDay acted irresponsibly or otherwise treated Miss W unfairly in relation to this matter; it follows that I don't uphold the complaint. Finally, 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 Miss W's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss W to accept

or reject my decision before 13 March 2026.

Simon Louth
Ombudsman