

## **The complaint**

Ms N complains that NewDay Ltd, trading as Aqua, lent to her irresponsibly.

## **What happened**

Ms N holds a credit card with NewDay; she opened it in June 2021 and was given an initial credit limit of £600. The credit limit was increased once, in December 2021, to £1,350.

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

Ms N contacted this Service for an independent review, and an Investigator here looked at what had happened. Having done so, they didn't think Ms N'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 Ms N, or that she wasn't managing her financial situation well. So, overall, NewDay hadn't lent irresponsibly.

Ms N disagreed, and she asked for an Ombudsman's decision. Largely, she reiterated her belief that the lending wasn't affordable for her; Ms N questioned NewDay's decision to rely on her declarations and the results of the checks it carried out without verifying her position. As no agreement has been reached, Ms N'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.

At the outset, I'll say that I can see how strongly Ms N feels about what happened here. I am sorry to read of the impact she says this matter has had on her; so, before I cover anything else, I'd certainly encourage Ms N to reach out to organisations which can provide support and advice if she hasn't already done so. Our Service will be happy to pass on contact details of such groups, should Ms N like them.

Turning to the merits of Ms N's complaint before me here, and to put things simply, when making a lending decision NewDay needed to make sure that it didn't provide loans 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 Ms N'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 providing Ms N with any credit, NewDay has said it gathered details of her income and essential expenditure to conduct an affordability assessment. It used Credit Reference Agency ("CRA") data to help assess the income moving through Ms N's current account; and it used that same data 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 Ms N's finances. Recorded CRA data suggested there had been some historic issues – but nothing at the time of either lending decision here indicated that Ms N wasn't managing her existing commitments broadly well. CRA data also showed that Ms N was indeed in receipt of income. The income and expenses figures which Ms N had declared, alongside what was returned in CRA data, demonstrated that she'd have enough disposable income to meet the repayments. No County Court Judgments or Individual Voluntary Arrangements were recorded against her either, and nor was any other recent significant adverse information uncovered. Overall then, for either lending decision, I don't think the results of NewDay's checks ought to have given NewDay particular cause for concern.

I'll say at this point that I know Ms N's opinion is such that NewDay's checks didn't uncover the true position of her wider financial situation. The fact is, though, that NewDay was entitled to rely upon the results of the checks it carried out if proportionate to do so; given there was no significant concerning data returned in the checks it carried out, I don't think it had reason to go further here.

Ms N's view is that NewDay should have looked to verify what she'd told it, but while I understand that argument 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 Ms N could afford the credit at the time. With no significant adverse information uncovered in its checks, and a positive outcome from its affordability assessment, I don't believe NewDay ought to have thought otherwise. So, while this will be disappointing for Ms N, 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 Ms N 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 Ms N 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 Ms N's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms N to accept or reject my decision before 19 March 2026.

Simon Louth  
**Ombudsman**