

## **The complaint**

Mrs G complains that NewDay Ltd ('NewDay') irresponsibly gave her Fluid and Aqua credit card accounts which she couldn't afford to repay

As the complaint about the Aqua account has been made too late, I will only be considering the merits of the Fluid card complaint.

## **What happened**

In March 2022, Mrs G applied for and was given a Fluid card account with NewDay with an initial credit limit of £300. There followed three increases between then and March 2023, when the credit limit reached £3,000.

Mrs G says the account shouldn't have been opened as it was unaffordable for her.

Our investigator didn't uphold the complaint. Essentially, he thought the decisions to grant the opening credit and the credit limits that followed were made fairly.

As Mrs G didn't agree, her complaint has 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.

We've explained how we handle complaints about unaffordable and irresponsible lending on our website. And I've used this approach to help me decide Mrs G's complaint.

I'd like to reassure Mrs G that I've looked at the complaint afresh and independently reviewed all the available information, including what Mrs G has said in response to our investigator's view. Having done so, I am not upholding Mrs G's complaint for broadly the same reasons as our investigator. I'll explain why.

Before opening the Fluid account, I think NewDay gathered a reasonable amount of evidence and information from Mrs G about her ability to repay. I say this because it took steps to verify her income and to see what she owed on credit. The credit check showed a manageable level of existing credit given her income and no recent adverse issues. NewDay also carried out an affordability assessment.

I've reviewed the information and evidence NewDay gathered. Having done so I'm satisfied that the checks that were completed showed that the Fluid agreement was likely to be affordable to her. And I've kept in mind that she was being given an initial limit of £300, which is relatively modest. NewDay therefore didn't act unfairly when approving the finance application.

Mrs G was granted her first credit limit increase in July 2022, increasing the limit to £1,050. There were no notable issues with the way she was managing her card and there were no

issues with the credit she held elsewhere. The income assessment suggested the increase was affordable.

In November 2022 Mrs G was granted a further increase to her credit limit, taking it to £1,900. Again, she'd had no significant issues with her account or the borrowing she held elsewhere. The income assessment again suggested the new credit limit was affordable.

In March 2023, Mrs G was granted a further increase to her credit limit, taking it up to £3,000. She again showed she was managing her existing credit with NewDay reasonably well whilst there had been no adverse markings put on her credit file. The income assessment again suggested that Mrs G would be able to afford this further increase.

I've seen that Mrs G is unhappy that she was given the Fluid card when she already owed a significant amount on her Aqua card and NewDay had refused to issue her a new Aqua card in March 2022. But I need to consider the fairness of each lending decision separately and here I'm looking at a lending decision that was made for a new account that came with a lower and therefore more manageable credit limit. And I've seen that for each of the limit increases, NewDay's lending decisions were reasonable and proportionate.

Nonetheless, like our investigator, I've considered Mrs G's current account statements in order to get an idea of what NewDay was likely to have seen at the time of the lending decisions. But I've not seen enough to show or suggest that she might have been overextending her borrowing capability.

All of this means that each of the lending decisions looked to have been reasonable and proportionate and therefore arrived at fairly.

I know that Mrs G will be disappointed by my decision. I've taken careful note of everything she's told us, but I'm satisfied the Fluid card was affordable and was a credit facility that it's likely she would be able to repay sustainably.

I've considered whether the relationship between Mrs G and NewDay might have been unfair under Section 140A of the Consumer Credit Act 1974. However, for the reasons I've already given, I don't think it lent irresponsibly to her or otherwise treated her unfairly. 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**

For the reasons given above, I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs G to accept or reject my decision before 11 February 2026.

Michael Goldberg

**Ombudsman**