

The complaint

Mr S complains that NewDay Ltd trading as Fluid (NewDay) lent to him irresponsibly when granting him a credit card and increasing credit limits without making sufficient affordability checks.

What happened

Mr S applied for and was granted the following credit card. The credit limit was subsequently increased as shown below:

Date	Event	Credit Limit
February 2021	Account Opened	£900
June 2021	Credit Limit Increase	£1,900
September 2022	Credit Limit Increase	£2,900

In summary, Mr S complains that NewDay offered him a credit card and subsequently increased the credit limit twice without making sufficient affordability checks. Mr S expressed concern that his payslips and bank account hadn't been requested when considering his application. He says that if proper checks had been made, it would have shown he had an irregular income in his part time employment. He also says increases were offered without further checks being performed resulting in him being offered unaffordable lending.

Mr S complained to NewDay in October 2025 who considered the matter but didn't uphold his complaint. In their Final Response Letter of the same month, NewDay say they completed reasonable checks including reference to Mr S's credit file both on application and at each credit limit increase offered. Mr S didn't agree and brought the matter to this service later in the same month.

An investigator assessed the case and the available evidence. In his view, NewDay made reasonable and proportionate checks before issuing the card and before each credit limit increase. He said the lending decisions at application and increases in credit limit were fair. Mr S disagreed and so the matter came to me to make a final decision.

I reached the same conclusion as the investigator, but via a different route, so issued a provisional decision. An extract follows and forms part of this final decision. Both parties have since responded to the provisional decision which allows me to issue a Final Decision now.

We've set out our approach to considering unaffordable and irresponsible lending complaints on our website – including the key relevant rules, guidance, good industry practice and law. In short, lenders must ensure that any credit that is approved is affordable and sustainable for the borrower. I've followed our approach when deciding Mr S's complaint.

Extract from my provisional decision

Initial application

When Mr S applied to NewDay for a Fluid credit card he said he had a gross annual income of £19,000. Mr S says he cannot recall any further questions about his expenditure being asked by NewDay and says he wasn't asked to verify his income by showing his payslips or bank account statements.

Based on the evidence provided to me, I can see that NewDay accepted the income quoted on the application form. They validated this via bank turnover records and by reference to Mr S's credit file and bureau data.

I also note NewDay performed some high-level income and expenditure calculations as part of the application process. Though I cannot say whether these figures were taken from the application form or derived from data modelling, I can see that allowances were made for housing costs, cost of living and existing credit commitments and these align with the data in the available credit file. I cannot say how much of this was visible to Mr S, but I can reassure him that based on the evidence I've seen, I'm persuaded this did take place.

The remainder of the credit file was positive, with no County Court Judgments (CCJ), bankruptcies or Individual Voluntary Arrangements recorded. Other credit lines were shown, but these were being managed well with no defaults, missed or late payments recorded. Given this broadly positive credit file and the low credit limit, I believe these were reasonable and proportionate checks for the lending being offered.

For this credit limit, I would not have expected NewDay to ask for payslips having already validated income via account turnover. Nor would I expect them to need sight of current account records to make a lending decision in this case.

Having seen the affordability checks calculated by NewDay, I am persuaded that they did turn their minds to sustainable repayment. I also agree that those calculations show a level of disposable income that would suggest the lending was affordable. For these reasons, I'm minded to say that NewDay's lending was fair on opening the Fluid account.

First credit limit increase

I will deal more briefly with this increase. In summary, NewDay performed the same checks and followed the same process to assess this increase which took place four months after the initial application.

Mr S says his income and expenditure should have been re-checked at this point. NewDay say they only offer increases where account management is progressing positively and in any event, further checks were made via the credit file and bureau data.

I have some sympathy for Mr S's view, although, on balance I am minded to say these checks were reasonable and proportionate for the first increase. I say this not only because of the relatively small increase in credit limit, but also because the credit file remained positive. Had more time elapsed from the initial application, I may have taken a different view. But in this case, only four months later, it is not unreasonable for NewDay to have referenced their recent decision to support the credit file findings.

I also apply the same logic to their affordability calculations. It is reasonable to assume these were broadly similar just four months after the initial application. For this reason, I am minded to say the lending decision for the first increase was a fair one.

Second credit limit increase

When NewDay offered their second credit limit increase, they say they performed similar checks including reference to Mr S's credit file. They also say they continued to rely on initial application data to some extent.

Mr S believes NewDay should have done more to verify his income and expenditure as much could have changed in the eighteen months since opening his account.

NewDay say that Mr S's credit file was reviewed at the time the second increase was offered. This showed continuing positive indicators, these included no CCJ, new defaults or repayment plans. Also, his card had remained within limit for the four months prior to the lending with no recent missed payments or over limit fees. Payments to Mr S's card at this time were well over the minimum required.

But, there were also some relatively new adverse markers that had appeared since the first credit limit increase. Mr S had been charged overlimit fees in October and December 2021, and between January and May 2022 He also missed one payment in March 2022. Mr S's credit file showed an increase in total indebtedness of just over £9,000 and a marked increase in debt to net income ratio. I note the credit limit being offered was now around 15% of Mr S's annual income.

While I don't think these would necessarily prevented further lending, I do think NewDay should have done more to verify Mr S's current income and expenditure given this history. It was now 18 months since these figured had been checked and I think the potentially adverse markers should have been of more interest to NewDay at this point.

I should be clear for Mr S's understanding. I don't think NewDay would have needed to see payslips or current account records to reach a lending decision. But, I think they should have done more than they did. I would have expected them to verify Mr S's actual income and gather further information about current expenditure.

For these reasons, I do not believe the check made by NewDay were reasonable and proportionate for the second credit limit increase.

Having said this, I must next consider what would have likely been found had reasonable and proportionate checks been carried out by NewDay.

For this I have referred to the current account statements provided by Mr S for the three months leading up to the second credit limit increase. But, I have only used these to recreate a better understanding of income and expenditure replicating the likely answers had Mr S been asked to provide updated figures.

Having reviewed these records, I can see Mr S had a variable income over the three months in question. The average income over those three months being just over £2,400 per month. When Mr S's actual living, housing and other essential costs are calculated, the resulting estimated disposable income for each month is such that it suggests the lending could likely be sustainably repaid.

For this reason, I am minded to say that the lending decision at the point of second credit limit increase was fair.

Mr S has accepted the provisional decision in relation to the initial account opening and the first credit limit increase. He has provided further submissions in relation to the second increase which I am asked to consider further. I will focus on the remaining issue in dispute on credit limit increase two.

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.

In his response to my provisional decision Mr S asks me to consider a number of further points. I will not respond to each individually, but can assure Mr S I have read his full submission and considered each of the points he raises carefully. I have also revisited the calculations I made to arrive at my provisional decision to ensure they address the points he raises.

In summary, Mr S stresses that greater weight should have been given to adverse or potentially adverse markers on his credit file at the point of the second lending decision. He also asks me to consider how his lived experience differed from the modelled or assumed figures used by NewDay. He also stresses that his card utilisation was high and he was regularly using his overdraft at the point of the second credit limit increase.

I would like to thank Mr S for his clear and focused response. I do not doubt the impact of the situation he describes but having considered the content, it does not change my decision in this case. To assist Mr S, I will explain why.

I am entirely happy to accept that Mr S's lived experience differed from the assumed modelling undertaken by NewDay. However, this isn't the test I must apply. My first test is whether the checks performed by NewDay were reasonable and proportionate for the lending. In the case of the second limit increase I have already said they were not.

I have noted the examples of potentially adverse credit history raised by Mr S in his response. These include the run of over limit charges and the high utilisation of his credit card at the time. I agree with Mr S that the checks performed by NewDay at the point of the second credit limit increase were not proportionate or reasonable for the lending. I said this in my provisional decision and also said that these factors should have caused NewDay to do more.

But that isn't enough to say the lending was irresponsible, I must also consider what proper checks would have shown had they been carried out. I will return to this later.

Mr S asks me to consider his continued overdraft use. But, the credit file used by NewDay would not show this level of detail so overdraft details are not something that NewDay would have seen when making their decision. Nor do I think it would have been reasonable or proportionate for NewDay to require current account records for this level of lending. But I do think they should have sought further information about Mr S's actual expenditure.

As stated in my provisional decision I referenced the current account statements provided by Mr S to recreate proportionate expenditure checks. But I only used these to generate summary outgoings, not to perform a forensic review of the current account. I have re-checked these figures again in light of Mr S's responses.

Though I recognise it will disappoint him, my conclusion is that had NewDay asked for further clarification it is likely that the disposable income revealed is such that the lending would likely be affordable.

Given this, my decision that the lending decision was a fair one remains unchanged.

In reaching my conclusions, I've also considered whether the lending relationship between Mr S and NewDay might have been unfair to Mr S under s140A of the Consumer Credit Act 1974 ("CCA"). However, for the reasons I've already explained, I'm satisfied that NewDay did not lend irresponsibly when providing Mr S with the credit card, [or by increasing his credit limit. And I haven't seen anything to suggest that s140A CCA would, given the facts of this complaint, lead to a different outcome here

My final decision

My final decision is that I do not uphold the complaint may by Mr S against NewDay Ltd trading as Fluid (NewDay)

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr S to accept or reject my decision before 21 April 2026.

Richard Bellamy
Ombudsman