

The complaint

Ms M complains that NewDay Ltd trading as John Lewis Credit Card won't increase the credit limit on her John Lewis credit card.

What happened

Ms M has held a John Lewis credit card account for several years with a credit limit of £5000.

Ms M is unhappy that when NewDay took over as the new finance provider for the card she was provided with a lower credit limit of £1200.

Ms M complained to NewDay and asked them to reinstate the higher credit limit.

NewDay didn't uphold the complaint. It said the credit limit was at the sole discretion of the lender and it wasn't able to provide a specific reason for declining Ms M's credit limit increase request due to the range of factors it considered during its assessment process.

Ms M remained unhappy and brought her complaint to this service.

Our investigator didn't uphold the complaint. They said NewDay was allowed to set the credit limit and there was no evidence that NewDay had made an error or treated Ms M unfairly.

Ms M didn't agree so I've been asked to review the complaint.

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 know it will disappoint Ms M, but I agree with the investigator's opinion. I'll explain why.

I've reviewed then history of the account. Ms M has held the account for several years. The John Lewis credit card was previously financed by HSBC but was recently taken over by NewDay. When NewDay took over, all account holders had to reapply for the card and – once the card was approved – were sent the terms and conditions for the account.

I've reviewed the terms and conditions. These state that:

“Your credit limit is set by us when we open your account, and we will tell you what it is when we send you your card. The credit limit is the total amount you can borrow from us at any one time”.

Ms M accepted these terms and conditions when she signed the agreement.

I appreciate that Ms M had a higher credit limit for several years when the credit card was financed by HSBC. And I can see that when NewDay took over the card, Ms M's credit limit was reduced.

It's up to a lender to decide who it offers credit to and what credit limit applies. Each lender has its own lending criteria which it applies. Lending criteria generally include several factors including things like credit reference agency data, risk profile, the lenders affordability assessment, existing debt, income and expenditure, usage and spending habits and the current financial climate.

NewDay isn't obliged to disclose the specific reason or reasons why Ms M's credit limit has been set at the amount it has. This is because the lending criteria is commercially sensitive information. This service can't require NewDay to disclose the reasons. But we can check that the lending decision was reached fairly.

NewDay has confirmed that all customers are subject to the same credit checks and affordability checks when applying for credit. So it's not the case that Ms M has been treated differently to any other customer.

Based on what I've seen, I'm not persuaded that NewDay has made an error or treated Ms M unfairly. So, I won't be requiring it to do anything further.

My final decision

My final decision is that I don't uphold the complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms M to accept or reject my decision before 10 March 2026.

Emma Davy
Ombudsman