

The complaint

Mr O complains that NewDay Ltd trading as Marbles (“NewDay”) irresponsibly lent to him and failed to carry out proper checks before providing him with additional credit.

What happened

In November 2022 Mr O applied online for a credit card with NewDay. The application was approved, and he was given an initial limit of £900. This limit was increased on a further three occasions.

The first increase took place in March 2023 and Mr O was given a new limit of £1,750. It was followed by an increase to £3,000 in July 2023 and the final increase took place in November 2023 and he was given a limit of £4,500.

Mr O complained in 2025. He said the lending shouldn’t have been provided because it was unaffordable and unsustainable. He said it caused him significant financial hardship and has had adverse effects on his mental health.

NewDay responded to the complaint – they didn’t uphold it. They said they looked at credit reference agency (CRA) data, how Mr O managed other accounts and information he’d declared about his income and expenditure, and considering all of the above, they’re satisfied they were fair when lending to him.

They also said when he requested help in 2025, they supported him by implementing a repayment plan. Mr O didn’t agree with the response so referred his complaint to our Service.

An Investigator here looked into things, and they agreed that NewDay didn’t act unfairly when lending to Mr O. In response to the view – to summarise - Mr O said his change in circumstances weren’t considered, the unfair relationship wasn’t properly considered, CATO and estimated figures don’t equate to proper affordability, and his request for help was rejected.

Our Investigator said that NewDay did place him on a repayment plan when rejected, so can’t agree they didn’t help. Because an agreement couldn’t be reached, the 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.

The rules and regulations in place at the time NewDay provided Mr O with the credit card and subsequent increases required them to carry out a reasonable and proportionate assessment of whether he could afford to repay what he owed in a sustainable manner. This is sometimes referred to as an ‘affordability assessment’ or ‘affordability check’.

The checks had to be 'borrower' focused. This means NewDay had to think about whether repaying the credit sustainably would cause difficulties or adverse consequences for Mr O. In other words, it wasn't enough for NewDay to consider the likelihood of them getting the funds back or whether Mr O's circumstances met their lending criteria – they had to consider if Mr O could sustainably repay the lending being provided to him.

Checks also had to be 'proportionate' to the specific circumstances of the lending. In general, what constitutes a proportionate affordability check will be dependent on a number of factors including – but not limited to – the particular circumstances of the consumer (e.g. their financial history, current situation and outlook, any indications of vulnerability or financial difficulty) and the amount/type/cost of credit they were seeking. I've kept all of this in mind when thinking about whether NewDay did what was needed before lending to Mr O.

Having done so, I can't say NewDay treated Mr O unfairly when lending initially, or by increasing his credit limit on three occasions. I know this is likely to disappoint Mr O, but I'll explain my reasoning in more detail below.

Account opening

At the point of application, Mr O declared he was earning £34,000 per year (around £2,300 per month) with housing costs of around £310 per month, and credit commitments of around £218 per month. NewDay calculated, after reviewing this information, that Mr O would be left with around £1,300 per month disposable income.

Mr O's credit file was in good order – he had debt-to-income ratio of less than 1% and although he had a default recorded 13 months earlier, there wasn't any recent adverse information.

I believe the checks NewDay carried out were proportionate, and considering the amount being provided to Mr O, and the information they gathered in these checks, I don't think they acted unfairly when providing him with the credit card. I say this because it was for a relatively modest amount of £900, and although there were some signs of financial difficulty in the past, everything in recent months had been much improved. It wouldn't be a significant cost for Mr O to repay this credit in a reasonable period of time based on his salary and existing credit commitments.

I note what Mr O has said regarding the use of CATO and estimated expenditure, but CATO is used to verify what Mr O has already declared about his income. And NewDay used this to confirm he was earning around £2,300 at the time of application which came back positive.

Information about his housing costs were declared, and NewDay can see from the CRA data how much he was likely spending on credit commitments per month, so most non-discretionary expenditure wasn't actually an estimate.

Limit increase one

As well as the information obtained from the CRA's, NewDay could now also rely on how Mr O was managing the account internally.

Between November 2022 and March 2023, Mr O hadn't used close to the available limit, and when he had used the card, he mostly paid it off in full, when only a repayment amount of around £5 was owed.

As well as this, his external debt had decreased by around half – so overall I'm satisfied that NewDay's checks were proportionate, and there was nothing to indicate that lending to Mr O further would cause any adverse financial consequences for him. Therefore, I think they made a fair decision to lend when increasing his credit limit from £900 to £1,750.

Limit increase two

Again, between March 2023 and July 2023 Mr O was making significant overpayments to his account – often clearing the entire balance from the month before. I think this alone would be

enough for NewDay to take into account when deciding whether or not to increase his credit limit as it's clear the new limit of £3,000 would still be sustainable for Mr O at this period in time.

When we talk about sustainable payments, the rules don't say a customer ought to be able to repay the balance in full each month. They ought to be able to afford the lending over a reasonable period of time – usually the equivalent of a fixed term agreement for the same amount – without undue difficulty. And based on the information NewDay had available, I think they made a fair decision to lend.

In addition to this, they did obtain CRA data. While Mr O's external debt had increased slightly, it was still well managed and there was no new adverse data on his file. So it follows I think their checks were proportionate and they made a fair decision to lend when increasing his limit to £3,000.

Final limit increase

Mr O continued to manage the card in the same way he had been doing previously. He was clearing near to the full amount borrowed on the card each month – demonstrating surplus available funds to be able to repay the card.

His CRA data was broadly the same – slightly lower than it had been when they increased the limit to £3,000 but near enough the same. I understand Mr O has said his income was decreasing at the time, but there's nothing available to NewDay – either internally or externally – that would indicate he was struggling financially.

So, again, while this will disappoint Mr O, I don't think NewDay ought to have completed further checks. The checks they did do and the information available to them demonstrated Mr O could afford the increase and I'm satisfied they made a fair decision to lend when increasing the limit to £4,500.

Did NewDay treat Mr O unfairly in any other way?

Mr O has said NewDay didn't treat him fairly when he started to struggle financially. I can see Mr O made NewDay aware in October 2024. He said he wasn't working any longer and his mental health was affected. NewDay completed an income and expenditure assessment with him and placed the account on a £50 a month plan.

When Mr O asked for a removal of some adverse information in November 2024, NewDay removed the data.

A further two calls took place between NewDay and Mr O in April 2025 and September 2025 where they extended the repayment plan and signposted him to third-party charities that could potentially help.

So, with all of this in mind, I'm satisfied NewDay have treated Mr O fairly and with forbearance in a way we'd expect.

In reaching my conclusions, I've also considered whether the lending relationship between Mr O and NewDay might have been unfair to Mr O 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 O 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.

So while it'll likely come as a disappointment to Mr O, I won't be upholding his complaint against NewDay for the reasons explained above.

My final decision

It's my final decision that I do not uphold this complaint against NewDay Ltd trading as Marbles.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr O to accept or reject my decision before 1 April 2026.

Meg Raymond
Ombudsman