

## The complaint

Mr M complains that NewDay Ltd lent to him irresponsibly.

## What happened

Mr M held two credit cards with NewDay; he opened a “Marbles” branded account in October 2020 and was given an initial credit limit of £600. That limit was increased once, in November 2023, to £800. Mr M also opened a “BIP” branded account in April 2022. The initial limit was £450, and it was increased once – in September 2023 – to £1,050.

In 2025, Mr M complained to NewDay. He said, in summary, that the credit had been provided irresponsibly. NewDay didn’t uphold Mr M’s complaint; it said it had lent responsibly based on the results of the proportionate checks it had carried out.

Mr M contacted this Service for an independent review, and an Investigator here looked at what had happened. Having done so, they didn’t think Mr M’s complaint should be upheld. The Investigator said NewDay carried out proportionate checks for most lending decisions – but also acknowledged that it hadn’t on one occasion, when increasing the limit for Mr M’s BIP card. In any event, nothing in the results of the checks NewDay carried out suggested the credit would be unaffordable for Mr M and, moreover, if it *had* carried out further checks when it likely should have, it wouldn’t have found reason not to lend. So, overall, NewDay hadn’t lent irresponsibly.

Mr M disagreed, and he asked for an Ombudsman’s decision. He said he’d had to take a consolidation loan to help manage his debts in 2023 – and that NewDay ought to have seen that – but it still provided him more credit. Mr M also said that his income wasn’t really as NewDay had uncovered, or as was displayed in the statements for one of his current accounts which our Investigator had reviewed.

As no agreement has been reached, Mr M’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 mention that the scope of this complaint is limited to the lending decisions which took place on opening both accounts, and when increasing the limit for the BIP account. I’ve not commented on NewDay’s decision to increase the limit on Mr M’s Marbles

account because, as I understand it, that has already been upheld.

I also want to be clear that I have read and considered all that Mr M – and NewDay – have said and provided; but I haven't commented on each and every point. Instead, I've focussed on what I deem to be the crux of the matter, and I've deliberately not addressed each lending decision individually. That's not meant as any discourtesy. Instead, it's simply to align with our purpose as an informal service.

Turning to the merits of Mr M's complaint, our Investigator already set out the level of checks NewDay completed for each lending decision – so, I won't repeat the same ground in the same detail. In summary though, NewDay carried out an affordability assessment by reviewing Mr M's income and essential expenses, and it also looked at Credit Reference Agency ("CRA") data to build a view of his existing credit commitments and how he was managing them.

To highlight an important point, there are no fixed checks a business must complete when reviewing an application for credit. There isn't a requirement, of any kind, on a lender to review specific things such as payslips, or bank statements, for example. Rather, it was up to NewDay to determine what it would like to see; its obligation was to perform proportionate checks to be able to understand whether Mr M could make his payments in a sustainable manner before agreeing to lend. How it did so, was ultimately up to NewDay.

Looking at what happened here in Mr M's scenario, broadly speaking, I don't consider our Investigator's view of NewDay's checks – who found that they were proportionate on some occasions, but not others – to be inaccurate. Looking at the Marbles account opening, the information I have available indicates the results of those checks painted a broadly stable picture of Mr M's finances at the time. Recorded CRA data suggested his existing commitments were up to date, and Mr M's income figures – also taken from CRA data – against his declared outgoings showed he'd have enough disposable income to meet the repayments. So, on the face of it, I don't think NewDay would've had any significant concerns there.

That said, when Mr M opened his Marbles account, it's fair to say some adverse information was uncovered too. NewDay's checks showed he had been subject to both bankruptcy and an Individual Voluntary Arrangement ("IVA") within three years of applying. There was indication of defaults too, although the last of these had occurred some 45 months prior. Bankruptcy and an IVA are, of course, major adverse indicators; clearly, Mr M had been in some financial difficulty in the past. Overall though, I don't think it would've made a difference to NewDay's decision to open his Marbles credit card. As I understand it, Mr M's bankruptcy and IVA were historic – the information I have suggests neither were ongoing at the time – and alongside that, all other CRA data suggested Mr M was managing his existing commitments.

I must also keep in mind that NewDay is seemingly more likely to offer credit to those with a less than perfect credit history. It must still do so responsibly, of course; but generally speaking, historic adverse information – even as significant as Mr M's – doesn't categorically mean future applications for credit wouldn't be approved. Here then, in the round, I don't think I can fairly determine that NewDay made an unreasonable or irresponsible lending decision – when it opened Mr M's Marbles account – taking into account *all* of the information it had available.

The same applies, in my view, to NewDay's decision to provide Mr M his BIP account. By that time, there was no indication of bankruptcy or IVAs returned in the checks NewDay carried out; again, the overall results of NewDay's checks painted a stable picture of Mr M's finances. In my view, there was nothing available to NewDay which suggested the credit would be unaffordable for Mr M. It follows that I don't think it made an irresponsible lending decision here either.

By the time NewDay increased Mr M's limit on his BIP account in September 2023, our Investigator said it ought to have gone further in its checks. I don't necessarily disagree with that, the existence of a payday loan search around that time are indeed an indicator of potential financial stresses.

That doesn't mean NewDay was obliged to request and review Mr M's bank statements to fully verify his financial position, though. In fact, I think that would likely have been too much scrutiny given other data again didn't suggest any financial struggles. NewDay could, perhaps more appropriately, have taken further steps to be certain on Mr M's income and also questioned him in more detail about his essential expenditure – but I'll stress again that there was no requirement for it to forensically review his outgoings, or current account conduct. There are several ways it could've obtained such information.

One way for me to assess what further checks would've likely revealed is to review Mr M's bank statements. Again, I'll reiterate that I don't think NewDay was obliged to do that; it's just the most accurate way for me to try and build a picture of Mr M's circumstances at the time. Mr M has provided us with some statements, for one of his accounts, but perhaps not all statements which may be relevant; I've seen Mr M has referenced other accounts, but I don't have statements for those. In any event, based on what I do have, it appears Mr M had enough disposable income remaining – after essential expenses and existing commitments – to afford repayments for the credit being provided here.

Mr M acknowledges that himself to some degree. But I also know he's mentioned how his wider financial situation was much worse than it appeared, and that even if his disposable income did appear to be enough (from the information available relative to one of his accounts) it wasn't reflective of the true position.

I don't doubt what he's said there, there's no reason for me to think his position was indeed anything other than he's explained, and the bank statements we do have even allude to it. The fact is, though, that I can't use hindsight. As I've said, NewDay didn't need to forensically review his bank account statements and, as such, almost certainly wouldn't have seen the detail within them. Instead, it was entitled to rely upon the information it uncovered at the time, and what it found – or likely would have found, if it had carried out further checks into Mr M's income and essential expenditure – was a generally stable position. So, on balance, there's not enough for me to conclude that NewDay's decision to provide the credit ought to have been different, or that it was irresponsible.

Mr M has said he thinks NewDay ought to have realised something was wrong when he used a consolidation loan to pay off some of his debt. I see his point, but on the other hand, and broadly speaking here, I don't think a customer choosing to use a consolidation loan is irrefutably a sign of financial struggle or difficulty. It could, just as easily, be an individual looking to restructure for a variety of reasons; and here, in Mr M's scenario, nothing else in the information NewDay obtained pointed to signs of financial stress.

To be clear, I'm not saying that Mr M wasn't – or isn't now – under financial pressure. It's just that here, in these circumstances, NewDay didn't discover that; the data it had available to

assess wouldn't, in my view, have illustrated it. Nor would further checks, if NewDay had gone further on the occasion it likely should have.

Fundamentally, the key point to remember here 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 the payments for this loan were 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 Mr M unfairly in relation to this matter; it follows that I don't uphold the complaint. 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 Mr M's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr M to accept or reject my decision before 23 March 2026.

Simon Louth  
**Ombudsman**