

The complaint

NewDay Ltd ('NewDay') provided Mr T with a credit card in June 2019. It had a credit limit of £1,200, this was later increased to £1,950 in October 2019 and then to £3,950 in February 2020. Mr T says the credit card was provided irresponsibly.

What happened

The details of this complaint are well-known to both parties, so I won't repeat them again here. The facts aren't in dispute, so I'll focus on giving the reasons for my decision.

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 set out our general approach to complaints about unaffordable or irresponsible lending on our website, and I've taken this into account in deciding Mr T's case.

I've decided the credit was provided fairly because:

- I think the checks NewDay did before providing the credit were mostly reasonable and proportionate, given the credit limit it offered and what it knew about Mr T's financial situation.
- NewDay's checks showed that when the card was approved Mr T said that he was earning about £25,000 a year and he received £1,568.30 a month. NewDay says it verified his income using a tool provided by a credit reference agency ('CRA'). I think this is a reasonable way to verify income. NewDay also looked at Mr T's other CRA information, and it found out that he had a modest amount of other credit to which he was paying £164.08 a month. There were no recent repayment problems, the most recent adverse payment marker was 39 months ago. And it estimated his other expenditures using statistical information. All these checks showed that Mr T had enough disposable income to repay the card.
- NewDay conducted similar checks for each of the card increases and these also showed, for the same reasons, that Mr T could repay the card. His other debt increased at times but there isn't any evidence from his CRA information that this became problematic. And NewDay's checks again showed he had enough disposable income to repay the lending. NewDay also relied on the fact that Mr T had been able to repay the card without problems. This isn't unreasonable, and it does support that the card repayments were affordable for him.
- I don't disagree that NewDay could have looked in more detail at Mr T's circumstances before the third credit limit increase, but Mr T hasn't been able to provide any further information about what it would have seen if it had made better checks.

- Based on the information NewDay gathered and what it knew about Mr T's circumstances, there was nothing in the checks it did that showed Mr T was unable to sustainably repay what he was being lent.
- Mr T has said that NewDay's checks weren't proportionate as they didn't include what he was paying to his mortgage. And he says when this is considered, the card isn't affordable. NewDay has said that the information from the CRA didn't show mortgage information, and I've seen that it doesn't. And when Mr T applied he didn't disclose this. Mr T's credit report says his mortgage lender reported a financial connection to what I assume is his partner. And so I think it's unlikely to be right to assume that Mr T would pay all of this himself. But in any event, I need to consider whether the checks NewDay did were proportionate, but this doesn't mean they need to look in detail at all aspects of his circumstances. Particularly given the credit card limits were modest, and the minimum repayments would correspondingly be modest as well.
- Mr T has complained that the interest rate on the card is high. The rate is higher, but it looks to be typical for this type of card. And it was disclosed to Mr T when the card was started. I'm not upholding Mr T's complaint about the interest rate on the card.
- Mr T has complained about two other credit cards with NewDay and some of his complaints about these cards have been upheld. But these cards were taken out and used after Mr T had stopped using this NewDay card. So, the circumstances about why they were upheld aren't relevant to this complaint.
- I don't think NewDay acted unfairly in any other way.

This means I don't think NewDay did anything wrong when it provided the credit card to Mr T.

I've also considered whether the relationship might have been unfair under s.140A of the Consumer Credit Act 1974. However, for the reasons I've already given, I don't think NewDay lent irresponsibly to Mr T or otherwise treated him unfairly. I haven't seen anything to suggest that s.140A or anything else would, given the facts of this complaint, lead to a different outcome here.

I know this isn't the outcome Mr T hoped for. But for the reasons above, I'm not asking NewDay to do anything to put things right.

My final decision

My final decision is that I'm not upholding Mr T's complaint about NewDay.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr T to accept or reject my decision before 6 March 2026.

Andy Burlinson
Ombudsman