

## The complaint

Miss B complains that NewDay Ltd trading as Aqua lent to her irresponsibly when they provided her with a credit card and increased the limit on a number of occasions. She's also raised concerns about her interest rate and the 'Aqua Coach' facility.

## What happened

In 2022, Miss B was provided with a credit card with a £450 credit limit. The limit was later increased on six occasions between 2022 and 2025.

I've included a table below showing more detail around the lending.

Date	Event	Credit limit
March 2022	Account opening	£450
December 2022	Credit limit increase	£750
May 2023	Credit limit increase	£1,200
January 2024	Credit limit increase	£1,500
June 2024	Credit limit increase	£3,000
November 2024	Credit limit increase	£4,000
April 2025	Credit Limit increase	£4,500

In 2025, Miss B complained. In summary, she said NewDay had irresponsibly lent to her and that sufficient checks – to ensure her affordability status – hadn't been undertaken. She said she failed to understand how NewDay could continue to offer increases to her credit limit, but at no time considered reducing her interest rate. She said that the Aqua Coach application ("app"), which was a feature of her account, suggested that rates would likely improve as Miss B's relationship with Aqua develops. She feels this was misleading and said this was not the case in her circumstances.

NewDay didn't uphold the complaint. They said, in summary, that they had carried out checks proportionate to the amount being lent; those checks hadn't revealed any concerns, and on that basis, the lending had been agreed. But they said little on the interest rate charged or the Aqua Coach facility.

Miss B still thought NewDay had acted unfairly in continuing to provide her with further credit; and with no improvements to the rate she was paying. So, she referred her complaint to this Service for independent review.

An Investigator here considered Miss B's complaint but didn't recommend it be upheld. In summary, she said:

- The checks carried out by NewDay were proportionate in the circumstances.

- The information gathered as a result of those checks, wouldn't have given NewDay any cause for concern, and there was nothing that would have suggested to NewDay that Miss B was struggling financially, and/or wouldn't be able to afford the credit.
- Any financial struggles, which did materialise for Miss B later, wouldn't have been apparent to NewDay at the time they provided Miss B with the credit.
- Overall, with that in mind, NewDay hadn't acted unfairly or unreasonably in providing the above credit to Miss B.

Miss B disagreed. She maintained she'd been irresponsibly lent to, and said that there had been insufficient focus on the concerns she raised about the interest rate and the Aqua Coach facility. And she raised further points around NewDay's requirements when extending credit to customers.

The investigator issued a further opinion. She addressed the new points raised, but ultimately, she still felt NewDay had treated Miss B fairly. So, she didn't recommend the complaint was upheld.

So, as no agreement has been reached by the parties, Miss B'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.

Having now reviewed matters, and while this will no doubt disappoint Miss B, I agree with the findings of our Investigator and for broadly the same reasons. I'll explain why.

The rules and regulations in place at the time Miss B was provided with the credit card, and when her credit limit was later increased, required NewDay to carry out reasonable and proportionate assessments. That's to determine whether Miss B could afford to repay what she owed in a sustainable manner. This practice is sometimes referred to as an 'affordability assessment' or 'affordability check'.

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.

The checks also had to be borrower focussed; that is, relevant to Miss B. So, NewDay had to think about whether repaying the credit sustainably would cause her difficulties, or other adverse consequences. In other words, NewDay had to consider the impact of any repayments on Miss B.

I've kept all of this in mind when thinking about whether NewDay did what they needed to before agreeing to lend to Miss B.

Here, before agreeing to lend, NewDay checked data recorded with Credit Reference Agencies ("CRAs"); and they relied upon information provided by Miss B at the time of her application. I've been provided with the results of NewDay's checks and, in my view, the data they gathered didn't suggest that there was any real cause for concern.

The information NewDay obtained from CRAs didn't show any recent defaults or County Court Judgments ("CCJs"), nor was Miss B subject to an Individual Voluntary Arrangement ("IVA"). And the most recent default reported was over two years prior. Her existing credit repayments were generally well managed, with no recent missed payments evident from the check's results.

Miss B declared an annual income of £21,000, and Miss B's existing credit commitments were limited. Her monthly outgoings towards housing and general living costs - which NewDay established using a combination of the information Miss B declared, and ONS data provided by the Office for National Statistics, were low. Based on this, it appeared that at the time of the initial lending decision, Miss B had around £750 in disposable income. So, when considering the evidence gathered from NewDay's checks, I'm satisfied the results of those checks wouldn't have prompted NewDay to investigate further, and that they showed the initial credit limit of £450 to be affordable for Miss B.

Over the next two years, there were three further credit limit increases, to £750, £1,200 and £1,500 respectively, with gaps of around five to nine months between each increase. At the time the increases were granted, there was no evidence of any new adverse credit; and Miss B's existing credit commitments remained relatively moderate, ranging between around £5,000 to £10,000 of existing unsecured credit commitments.

I note at the time of these three increases, Miss B's income had increased considerably, so I've thought about this. But NewDay didn't just take Miss B's testimony as to her monthly earnings, but they also verified this using a credit reference agency affordability tool that considers current account turnover (CATO) data, to help validate declared income. From the credit check they ran, they determined that Miss B had a considerable disposable income at the time of these increases, in excess of £2,000. So, based on the evidence gathered, I don't think it was unreasonable for NewDay to have provided the first three credit limit increases.

Increases 4, 5 and 6, took place between June 2024 and April 2025, and NewDay's checks showed similar results. Miss B was managing her payments well, with no issues evident. Her existing credit commitments while increasing, hadn't increased dramatically, and there were no further signs of financial stress, with existing credit generally being well maintained, and no new defaults or CCJ's registered against her. Miss B's declared income remained strong, which NewDay again verified. So given the results of these checks, and the considerable disposable income that appeared available, I'm satisfied it wasn't unreasonable for NewDay to provide the later credit limit increases either. And I think the moderate rises in the credit limits provided, and the space between each limit increase, suggested that the debt would remain sustainable for Miss B, rather than pointing to an unsustainable pattern of lending.

In addition to the lending decisions NewDay agreed, Miss B has also raised concerns about the interest she has been charged. She said that NewDay provide what is called an Aqua Coach facility, which encourages increased use and credit growth by presenting progression-based rewards, and implying improved pricing at higher levels. She says that despite this, she was never offered any rate reductions on the later limits she was provided.

From what I've seen, Aqua Coach is a credit building tool, found within the Aqua app. It provides customers with access to their credit score information, as well as credit management tools to help them get better with credit. I've not seen anything to suggest that it guarantees customers improved rates on the credit provided. It's possible, that by customers regularly accessing their credit records, and maintaining their credit well, that their credit scores may improve; as such, this might give them access to a wider range of available credit and potentially improved rates. But I've not seen anything to suggest that this is something Aqua have said was guaranteed to Miss B in any way.

Miss B has also pointed to concerns about missed payments to her NewDay card in August 2025. While I'm sorry to hear Miss B has been struggling with payments of late, given these struggles were after the final lending decision took place, this isn't something NewDay would have been able to take into account at the point of their lending decisions. In terms of support provided, I can see that NewDay put support measures in place in May 2025, and that they also closed Miss B's account to further spending, so as not to allow any further debt to accumulate. I can also see that they have provided ways in which Miss B can contact them should she continue to struggle. I'm satisfied this is sufficient in the circumstances.

So, while I appreciate this may come as a disappointment to Miss B, and I know it won't be the outcome she's hoping for, for the reasons set out above, I won't be asking NewDay to do anything further.

Finally, I've also considered whether the relationship might have been unfair under Section 140A (S140A) of the Consumer Credit Act 1974. However, for the reasons I've already given, I don't think NewDay lent irresponsibly to Miss B, or otherwise treated her unfairly. I haven't seen anything to suggest that S140A 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 Miss B's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss B to accept or reject my decision before 7 May 2026.

Brad McIlquham  
**Ombudsman**