

The complaint

Mr G complains that NewDay Ltd trading as Fluid Credit Card lent irresponsibly when it approved his credit card application.

What happened

The background to this complaint and my initial conclusions were set out in a provisional decision. I said:

Mr G applied for a Fluid credit card in August 2025. In his application, Mr G said he was employed with an annual income of £49,000. Fluid says it used a service provided by the credit reference agencies to verify the income figure provided by Mr G by checking his current account turnover. Fluid completed a credit search and found no evidence of adverse credit like County Court Judgements, bankruptcy, defaults or recent arrears. Outstanding debts totalling £38,224 with monthly repayments of £1,225 were also noted.

Fluid completed an affordability assessment using Mr G's net monthly income of £3,233 and deductions for his existing repayments of £1,225, an estimate of his rent of £415 and general living expenses of £501 a month. Fluid says that left Mr G with a disposable income of around £1,065 a month after covering his existing outgoings. Fluid approved Mr G's application and issued a credit card with a limit of £1,200.

Mr G quickly complained that Fluid lent irresponsibly and it issued a final response. Fluid said it had carried out the relevant lending checks before approving Mr G's application and didn't agree it lent irresponsibly.

An investigator at this service looked at Mr G's complaint. They thought Fluid had completed proportionate checks before approving Mr G's application and the decision to do so was reasonable based on the information it obtained. Mr G asked to appeal and said the income figure used was higher than the reality. Mr G also said his outgoings were substantially higher than the estimates used in the affordability assessment and that his debt repayments were higher as well. Mr G added that his existing debts were very high, taking up a substantial amount of his monthly income. As Mr G asked to appeal, his complaint has been passed to me to make a decision.

What I've provisionally 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.

Before agreeing to lend, the rules say Fluid had to complete reasonable and proportionate checks to ensure Mr G could afford to repay the debt in a sustainable way. These affordability checks needed to be focused on the borrower's circumstances. The nature of what's considered reasonable and proportionate will vary depending on various factors like:

- The amount of credit;*
- The total sum repayable and the size of regular repayments;*

- The duration of the agreement;
- The costs of the credit; and
- The consumer's individual circumstances.

That means there's no set list of checks a lender must complete. But lenders are required to consider the above points when deciding what's reasonable and proportionate. Lenders may choose to verify a borrower's income or obtain a more detailed picture of their circumstances by reviewing bank statements for example. More information about how we consider irresponsible lending complaints can be found on our website.

I've reached different conclusion to the investigator in terms of whether Fluid carried out proportionate lending checks. Whilst I can see no evidence of adverse credit on Mr G's credit file, I think the amount of existing debt level was already very high. Fluid found Mr G already owed 78% of his annual income of £49,000 in unsecured debt totalling £38,224. Fluid calculated that Mr G was making monthly repayments of £1,225 representing over a third of his calculated take home income. I also note that Fluid's lending data shows Mr G had opened over £5,000 of new credit in the preceding three months before his application.

Mr G has also provided a full copy of his credit report from October 2025, two months after his Fluid application was made. That shows that Mr G opened a new loan for £7,550 in February 2025, another loan for £10,000 in May 2025, a fixed term credit account for £1,266 in June 2025, and (also in June 2025) another new credit card with a limit of £5,500 and outstanding balance of £5,104 in August 2025. The available information shows Mr G had arranged new lending totalling £23,920 in the six months before his Fluid application was made. In my view, Mr G already had a high level of unsecured debt when compared against his income and was borrowing at a significant pace in the six months before his application to Fluid. In the circumstances, I think Fluid should've taken the step of completing a more detailed set of lending checks before approving Mr G's application. One option would've been to review Mr G's bank statements for the preceding months to get a clearer picture of his circumstances. That's the approach I've taken after requesting the relevant statements from Mr G.

Mr G's bank statements show he was receiving an average income from paid employment and rent contributions from third parties of £2,604 a month in the three months before his application. Mr G's regular outgoings for items like his rent, existing debts, council tax, utilities, insurances, fuel and supermarket shopping came to an average of £2,221. So on the face of it Mr G had around £316 a month remaining. That doesn't take into account any day to day spending. Whilst Mr G, on paper, did appear to have some disposable income, his bank statements show other information I think is important.

The bank statements show Mr G was borrowing at a high rate in the preceding months and using funds to shuffle debts around. I found that Mr G took out a £7,000 loan in May 2025, using part of it to repay other debts and part for living expenses. In June 2025 Mr G took advances from another business totalling £1,000. Mr G also appears to have been receiving help from a family member, receiving £4,000 in April 2025, that was partially used to repay some debts and partially used to cover living expenses.

In my view, Mr G's bank statements show he was borrowing at a high rate and using those funds to move his existing debt around rather than making meaningful repayments. I note that despite making substantial repayments to some creditors, a short time later Mr G was making repayments to them again showing he'd reused the credit facilities.

Taking all the available information into account, I think the bank statements show Mr G wasn't in a position to sustainably afford any further credit and was borrowing at an unsustainable rate. In my view, if Fluid had carried out more detailed lending checks it

would've most likely found Mr G was already overcommitted in terms of his existing debts and outgoings and taken the decision to decline his application. As a result, I intend to uphold Mr G's complaint and direct Fluid to refund all interest, fees and charges applied to the account from the date of approval.

I've considered whether the business acted unfairly or unreasonably in any other way including whether the relationship might have been unfair under Section 140A of the Consumer Credit Act 1974. However, I'm satisfied the redress I have directed below results in fair compensation for Mr G in the circumstances of his complaint. I'm satisfied, based on what I've seen, that no additional award would be appropriate in this case.

I invited both parties to respond with any additional comments or information they wanted me to consider before I made my final decision. Mr G responded to confirm he had nothing further to add. We didn't hear back from Fluid.

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.

As no new information has been provided I see no reason to change the conclusions reached in my provisional decision. I still think Mr G's complaint should be upheld, for the same reasons.

My final decision

My decision is that I uphold Mr G's complaint and direct NewDay Ltd trading as Fluid Credit Card to settle as follows:

- Rework the account removing all interest, fees, charges and insurances (not already refunded) that have been applied.
- If the rework results in a credit balance, this should be refunded to Mr G along with 8% simple interest per year* calculated from the date of each overpayment to the date of settlement. Fluid should also remove all adverse information regarding this account from Mr G's credit file.
- Or, if after the rework there is still an outstanding balance, Fluid should arrange an affordable repayment plan with Mr G for the remaining amount. Once Mr G has cleared the balance, any adverse information in relation to the account should be removed from their credit file.

If Fluid has sold the debt to a third party, it should arrange to either buy back the debt from the third party or liaise with them to ensure the redress set out above is carried out promptly.

*HM Revenue & Customs requires Fluid to deduct tax from any award of interest. It must give Mr G a certificate showing how much tax has been taken off if he asks for one. If it intends to apply the refund to reduce an outstanding balance, it must do so after deducting the tax.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr G to accept or reject my decision before 17 March 2026.

Marco Manente
Ombudsman