

The complaint

NewDay Ltd, trading as Pulse, provided Miss L with a credit card in 2014. It had a credit limit of £240. Pulse then increased the credit limit as follows:

Credit Limit Increase (CLI)	New Limit	Effective date
CLI one	£350	May 2015
CLI two	£500	January 2016
CLI three	£700	October 2016
CLI four	£1,000	April 2017
CLI five	£1,400	October 2017
CLI six	£2,400	April 2018
CLI seven	£3,650	October 2018
CLI eight	£5,150	April 2019
CLI nine	£6,150	August 2019
CLI ten	£8,000	March 2020

Miss L says the credit was provided irresponsibly.

What happened

Pulse partially upheld Miss L's complaint. It felt that it had done nothing wrong when providing the credit card or for any of the first eight increases, but that it shouldn't have increased the credit limit beyond £5,150.

To put things right, Pulse refunded all fees and charges that Miss L had incurred from CLI nine and CLI ten, along with 8% simple interest where appropriate.

I sent Miss L and Pulse my provisional decision on 4 March 2026. I explained why I wasn't planning to uphold the complaint. I said:

As Miss L accepted the investigator's view, I have no requirement to consider any lending decisions before CLI seven, or from CLI nine onwards. Therefore I am focussing on CLI seven and CLI eight only.

I've considered all the available evidence and arguments to decide what is fair and reasonable in the circumstances of this complaint.

Having done so, I've come to a different conclusion from our investigator, and I'll explain why.

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 Miss L's case.

Pulse gathered information from a credit reference agency (CRA) and assessed Miss L's income using Current Account Turnover data (CATO), which is information supplied by a CRA, and described as a calculation of customer income based on current account turnover, or in other words, the amounts going through a customer's bank account.

The CRA checks showed existing debt of around £20,000, which appeared to be well managed as there were no adverse markers reported. Pulse could also see how

Miss L was managing her credit with it; in the months preceding CLI seven, Miss L had two late payments noted, but was mainly repaying above the minimum required.

Pulse used all this information, and internal modelling to calculate cost of living expenses, before increasing the credit limit. Its checks suggested Miss L had a healthy disposable income after her essential spend and existing credit commitments.

Due to the length of time that has passed since this decision, Pulse haven't been able to supply as much information as I would like, to be able to assess whether these checks were reasonable and proportionate. For example, without historical information, I don't know whether the assessed income appeared correct, or whether the existing debt had been stable.

I have therefore reviewed Miss L's bank statements for the three-month period preceding CLI seven, so that I can understand what proportionate checks would likely have revealed.

Miss L's income averaged just over £2,900. Her committed non-discretionary expenditure, including repayments to existing credit, averaged around £1,000. This is broadly in line with Pulse's assessments and results in a healthy disposable income remaining.

A key point of dispute is with regard to Miss L's overdraft usage before this credit limit increase and whether that in itself indicates financial difficulties. I'm not persuaded that it does. In the months leading up to this increase, Miss L's overdraft was always within its agreed limit and during this period, Miss L had made payments of over £2,500 towards holidays.

If it wasn't for that discretionary expenditure, Miss L's overdraft would have been at a low level, so I don't consider that these one-off expenses should be material factors in Pulse's lending decision.

It is on this basis that I think that if Pulse had done proportionate checks before CLI seven, it's likely that it would have concluded that the increase appeared to be affordable, as that is what I have found.

I have undertaken a similar review for CLI eight. Miss L's income was around £3,100 and her committed non-discretionary expenditure averaged around £1,000. This again is broadly in line with Pulse's assessment and still leaves a healthy disposable income remaining.

So, while it will come as a disappointment to Miss L, I don't intend to uphold her complaint against Pulse, for the reasons explained above.

Pulse accepted my provisional decision, but Miss L provided more information for me to consider.

In summary, Miss L explained that when she accepted the investigator's view, that was specifically in relation to their view that the lending was unaffordable from October 2018, not that the earlier lending was fair.

Miss L also reiterated that her overdraft usage indicated financial difficulties and said that her committed expenditure was higher than I had referred to in my provisional decision. In part this was because some of her repayments appeared as faster payments, because she was transferring money into another account to repay credit.

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.

I'd like to thank Miss L for the information supplied and the clear explanations. Although I don't refer to every point in this decision, she can be assured that I have considered everything carefully, but I will only comment on the key aspects that have formed my decision.

Due to the amount of time that has passed, neither Pulse or Miss L have been able to supply any detailed evidence regarding the opening of the account or any of the first three credit limit increases. I therefore won't be asking Pulse to take any action as I have nothing that indicates it was unfair.

Pulse were unable to supply the results of its checks for CLI four, five and six, but Miss L has shared bank statements for the months directly preceding these increases. Reviewing these bank statements provides an indication of what Pulse's checks are likely to have revealed.

Miss L's net monthly income throughout this period was stable at around £2,700. Her committed non-discretionary expenditure appeared to be around £800 per month, including mortgage payments and servicing other debt.

Had Pulse performed similar proportionate checks, it is likely it would have concluded that the required repayments for CLI four, five and six appeared to be affordable as that is what I have found.

Referring back to my provisional decision for CLI seven and eight. I have reviewed again Miss L's overdraft following her comments and I'm not persuaded that this in itself was a sufficient indicator of financial difficulties, because all of the other evidence pointed to these increase being affordable.

In conclusion, from the information available at the time of the lending decisions, up to and including CLI eight, I don't think Pulse has acted irresponsibly.

In reaching my decision, I've also considered whether the lending relationship between Miss L and Pulse might have been unfair to Miss L under Section 140A of the Consumer Credit Act 1974 ("CCA"). However, for the reasons I've already explained, I'm currently satisfied that Pulse did not lend irresponsibly when providing the credit card or up to CLI eight, or otherwise treat her unfairly in relation to the matters I've investigated. I'm satisfied that the actions taken by Pulse with regards to CLI nine and CLI ten are fair, and I haven't seen anything to suggest that Section 140A of the CCA 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 this complaint against NewDay Ltd, trading as Pulse.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss L to accept or reject my decision before 16 April 2026.

David Barker
Ombudsman