

## **The complaint**

Miss H complains that NewDay Ltd trading as Marbles irresponsibly lent to her.

## **What happened**

Miss H was approved for a Marbles credit card in August 2022, with a £600 credit limit. The credit limit was increased three times. In November 2022, the credit limit was increased to £1,450, in March 2023 (to £2,550), and in July 2023 (to £3,800). Miss H says that Marbles irresponsibly lent to her. Miss H made a complaint to Marbles.

Marbles did not uphold Miss H's complaint. They said that they provided the account responsibly, and they completed fair affordability checks. Miss H referred her complaint to our service. Our investigator did not uphold Miss H's complaint. He said that the checks Marbles made were proportionate, and they made fair lending decisions. Miss H asked for an ombudsman to review her complaint. She said her bank statements showed the lending was not affordable.

## **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.

Before agreeing to approve or increase the credit available to Miss H, Marbles needed to make proportionate checks to determine whether the credit was affordable and sustainable for her. There's no prescribed list of checks a lender should make. But the kind of things I expect lenders to consider include - but are not limited to: the type and amount of credit, the borrower's income and credit history, the amount and frequency of repayments, as well as the consumer's personal circumstances. I've listed below what checks Marbles have done and whether I'm persuaded these checks were proportionate.

### *Acceptance for the Marbles credit card*

Marbles said they checked information provided by Credit Reference Agencies (CRA's) and information that Miss H had provided before approving her application. The CRA demonstrated that Miss H had previously defaulted on at least one credit agreement 61 months prior to her Marbles application.

It may help to explain here that, while information like a default on someone's credit file may often mean they're not granted further credit – it doesn't automatically mean that a lender won't offer borrowing. So I've reviewed what else Marbles information demonstrated to them, to check if they made a fair lending decision to accept Miss H's application.

The information demonstrated that Miss H had declared a gross annual income of £10,000. Her debt to income ratio was 51.13%. So this meant she had around £5,113 of active unsecured debt at the time of the checks.

But Miss H also had another credit card in Marbles' wider group. The data received for the

other account demonstrated that for the February 2022 data, Miss H had been two months in arrears so this could suggest financial difficulty. I do note that Miss H had brought this account up to date by the time Marbles completed their checks, however, I'm persuaded that Marbles should have made further checks to ensure Miss H would be able to sustainably afford repayments for the £600 credit limit, especially as Marbles did not complete an affordability assessment for Miss H as part of this lending decision.

There's no set way of how Marbles should have made further proportionate checks. One of the things they could have done was to contact Miss H to check why she had been in arrears for two months on an account. Or they could have asked for her bank statements as part of a proportionate check to ensure the lending would be affordable and sustainable for her.

So I asked Miss H if she could provide her bank statements leading up to this lending decision. But Miss H did not provide me with the bank statements by the deadline given, even though she was given an extension to provide these statements.

At first glance, it does seem Marbles should've done more checks. But as my job is impartial, that means I have to be fair to both the consumer and the business and although I'm satisfied that Marbles should've done more checks here – I can't say whether further checks would've revealed further information which means they wouldn't have lent. So as Miss H hasn't provided me with the information she was asked for, that means that it wouldn't be fair for me to say that Marbles shouldn't have lent here, because I don't know what further checks would reveal.

#### *November 2022 credit limit increase - £600 to £1,450*

A CRA reported that Miss H had active unsecured debt of around £4,389, which was lower than her unsecured debt level at the opening account checks. Miss H had no external accounts in arrears since the last lending decision.

Marbles would have also been able to see how Miss H managed her account since it had been opened. Miss H incurred no overlimit or late fees on the account. Miss H was also making much higher repayments than her requested minimum repayments, which could suggest she had the affordability to sustain higher repayments for a higher credit card limit.

Miss H was also making higher than minimum repayments on her other credit card in Marbles' wider group. So I wouldn't expect her to be able to make repayments on two credit cards – and reduce her overall debt since the Marbles account had been opened, if she was financially struggling leading up to this credit limit increase.

So in the absence of any new adverse credit file information, the reduction in Miss H's overall active unsecured debt since the last lending decision, and Miss H making overpayments on both of her credit cards which Marbles would have access to, then it would not have been proportionate for Marbles to have made further checks here, such as requesting bank statements for Miss H.

So I'm persuaded that Marbles' checks were proportionate, and they made a fair lending decision to increase the credit limit here.

#### *March 2023 credit limit increase - £1,450 to £2,550*

A CRA reported that Miss H had active unsecured debt of around £3,191, which was lower than her unsecured debt level at the last lending decision. Miss H had no external accounts in arrears since the last lending decision.

Marbles would have also been able to check how Miss H managed her account since the last lending decision. Miss H incurred no overlimit or late fees on the account. But she incurred an overlimit fee for her account in the wider group in the months leading up to this credit limit increase. However, Miss H returned to her outstanding balance to within the credit limit in the following month, and she didn't exceed her credit limit again prior to this credit limit increase.

Miss H also made a repayment which was around double her minimum requested repayment in the month after she incurred the overlimit fee, which I wouldn't expect her to be able to make if she was struggling financially leading up to this credit limit increase. So I'm not persuaded that it would have been proportionate for Marbles to have made any further checks here, such as requesting Miss H's bank statements, as she had managed to reduce her overall debt since the last lending decision, and at times she made overpayments across her two accounts Marbles would have access to (the Marbles account, and the account in their wider group).

So I'm persuaded that Marbles' checks were proportionate, and they made a fair lending decision to increase the credit limit here.

*July 2023 credit limit increase - £2,550 to £3,800*

A CRA reported that Miss H had active unsecured debt of around £9,201, which was nearly treble the amount it was only four months earlier. Miss H had no external accounts in arrears since the last lending decision.

Marbles would have also been able to see how Miss H managed her account since the last lending decision. Miss H incurred no overlimit or late fees on the account. But based on the almost trebling of the unsecured debt in a short period of time, I'm persuaded that Marbles should have completed further checks to ensure the repayments for the increased credit limit would be affordable and sustainable for her.

As I've previously mentioned, there's no set way of how Marbles should have made further proportionate checks. Miss H had already provided our service with some of her bank statements leading up to this lending decision. At times there were unpaid direct debits. Miss H also seemed to receive child benefit and student loan income in addition to her wages. But I've also noticed that she had another account elsewhere which she transferred money to and from, including her transferring a total of £3,000 to another account on 20 April 2023.

So it seems that Miss H transferred the majority of her student loan to an external account, and when her account balance was low she transferred money from the external account, which the statements have shown that the external account was in her name.

So I asked Miss H if she could provide her other bank statements leading up to this lending decision. This is so I could get the best understanding of her financial situation leading up to the last credit limit increase. But Miss H did not provide me with the other bank statements by the deadline given, even though she was given an extension to provide these statements.

So it does seem like Marbles should've done more checks. But as my job is impartial, that means I have to be fair to both the consumer and the business and although I'm satisfied that Marbles should've done more checks here – I can't say whether further checks would've revealed further information which means they wouldn't have lent. So as Miss H hasn't provided me with the information she was asked for, that means that it wouldn't be fair for me to say that Marbles shouldn't have lent here, because I don't know what further checks would reveal.

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 can't conclude that Marbles lent irresponsibly to Miss H or otherwise treated her unfairly in relation to this matter. I haven't seen anything to suggest that Section 140A would, given the facts of this complaint, lead to a different outcome here.

### **My final decision**

I do not uphold this complaint.

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

Gregory Sloanes  
**Ombudsman**