

The complaint

Mr T complains that NewDay Ltd trading as Aqua lent irresponsibly when it approved his credit card application and later increased the limit.

What happened

Mr T held a Marbles credit card with NewDay when he applied for an Aqua credit card in June 2022. In his Aqua application, Mr T gave an annual income of £66,000. Aqua used a service provided by a credit reference agency to verify the income figure Mr T gave and used a net monthly income of £4,069.

A credit search was completed that found two County Court Judgements, the newest of which was 66 months old. Defaults were also found, the newest of which was recorded as being 47 months old. No recent missed payments were recorded. Aqua found Mr T had existing debts totalling around £2,500 and was making monthly repayments totalling £152.

Aqua completed an affordability assessment using estimates of £209 for Mr T's rent and £535 for his general living expenses. Aqua also made deductions from Mr T's net monthly income of £4,069 for his existing debt repayments. Aqua calculated Mr T had a disposable income of around £3,168 a month after his existing outgoings were met. Aqua approved Mr T's application and issued a credit card with a limit of £450.

Mr T used the Aqua credit card and in May 2025 the credit limit was increased to £950. Aqua says it checked Mr T's account history and credit file as well as completed a new affordability assessment. Aqua reached the view Mr T had a disposable income of £1,457 a month after his existing commitments were met and approved the credit limit increase.

More recently, Mr T complained about his Marbles credit card approved in November 2020 and NewDay issued a final response upholding it, awarding a full refund of the interest, fees and charges applied. Mr T went on to complain about his Aqua credit card as well. A final response was issued but Aqua didn't agree it lent irresponsibly and didn't uphold Mr T's complaint.

An investigator at this service looked at Mr T's complaint. They thought Aqua completed proportionate checks before approving Mr T's application and increasing the limit and didn't agree it lent irresponsibly.

Mr T asked to appeal and pointed out his Marbles complaint had been upheld but the Aqua case wasn't. Mr T also said the information on his credit file should've shown Aqua he wasn't able to sustainably afford further credit. Mr T provided copies of his credit file. Mr T added that other complaints he's made have been upheld by different lenders and provided copies of the responses. Mr T explained that enhanced checks by Aqua would've found evidence he was gambling and vulnerable. As Mr T asked to appeal, his complaint has been passed to me to make a 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.

Before agreeing to lend or increasing the credit limit, the rules say Aqua had to complete reasonable and proportionate checks to ensure Mr T 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 set out the information Aqua used when considering Mr T's application above. I can see Mr T gave his annual income which was verified by Aqua using a third party service. So I'm satisfied it was reasonable for Aqua to use a net monthly income of £4,069 in its affordability assessment.

Mr T's credit file shows he had experienced financial difficulties in the past with CCJ and default information recorded. The evidence from the credit file information Aqua obtained shows the newest CCJ was registered 66 months earlier and the most recent default was 47 months before Mr T's application. I accept Mr T has provided other credit files that show a default from 2021. But that information doesn't appear on the credit file Aqua obtained.

Aqua found Mr T had existing debts totalling around £2,500 and took the monthly repayments of £152 into account in its affordability assessment. No recent missed payments were noted. Whilst I accept there was some older adverse information recorded, I think Mr T's credit file indicated he was in a stable financial position at the time with a modest level of unsecured debt and no obvious signs he was struggling.

The affordability assessment used estimates for Mr T's rent and general living expenses as set out above. That's an approach Aqua is allowed to take where appropriate under the relevant lending rules. As the information obtained didn't indicate Mr T was struggling at the time or overcommitted, I haven't seen anything that leads me to say the use of estimates wasn't appropriate. The affordability assessment reached the view Mr T had a healthy disposable income of around £3,168 a month which would've been sufficient to sustainably afford repayments to a new credit card with a limit of £450.

In my view, the level and nature of checks completed by Aqua were proportionate to the credit card with a limit of £450 it approved. And I'm satisfied the information Aqua obtained indicated Mr T was able to sustainably afford repayments. I'm sorry to disappoint Mr T but I haven't been persuaded Aqua lent irresponsibly when it approved his application.

There were no credit limit increases until May 2025. Before the increase was approved, Aqua followed a similar approach to the application. Aqua looked at Mr T's credit file. No

CCJs remained and the most recent default was recorded as 48 months old. Mr T's unsecured debt levels had increase to around £20,000 by this time. Whilst I note Mr T's response says he had multiple missed payments between 2022 and 2025 on his credit file, the data obtained doesn't show that. The credit file Aqua used found it was also 48 months since a missed payment was recorded with no active arrears at the time.

Aqua used a credit reference agency to get a net monthly income figure for Mr T which came back at £3,329. Rent of £666 a month and general living expenses of £549 were deducted in addition to Mr T's debt repayments totalling £657 were made. Aqua calculated a disposable income of £1,457 a month after Mr T's existing outgoings were met.

I accept Mr T's debts had increased between 2022 and 2025 which clearly led to higher repayments. But the information Aqua obtained didn't show any evidence of missed payments, defaults or new adverse credit. I also think it's fair to note that whilst Mr T's unsecured debts had gone up, when compared against his income they were reasonable.

Aqua's increase led to an additional £500 being offered, taking the limit to £950. So whilst Aqua did increase the limit, the total amount available was still reasonably modest. I've taken the increased costs of repayment into account when reaching my decision.

I think Aqua's checks were proportionate to the £500 credit limit increase it approved. And I think the information obtained by Aqua showed Mr T was able to sustainably afford repayments to a credit limit of £950. I haven't been persuaded Aqua's decision to increase the credit limit was unreasonable or that it lent irresponsibly to Mr T.

Mr T's response to the investigator explained that enhanced checks would've led Aqua to find he was gambling at the time. But, as set out above, I haven't found grounds to say Aqua should've completed a more thorough set of checks before lending to Mr T so I wouldn't have expected it to have taken the step of checking his bank statements.

I understand Mr T's complaint about his Marbles credit card, that predated the Aqua account, was upheld. I also understand other lenders have upheld complaints Mr T's made. But we consider complaints on an individual basis and, for the reasons I've given above, I haven't been persuaded Aqua lent irresponsibly to Mr T. As a result, I'm unable to uphold Mr T's complaint.

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, for the reasons I've already given, I don't think Aqua lent irresponsibly to Mr T or otherwise treated him unfairly. I haven't seen anything to suggest that Section 140A or anything else would, given the facts of this complaint, lead to a different outcome here.

My final decision

My decision is that I don't uphold Mr T's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr T to accept or reject my decision before 3 April 2026.

Marco Manente
Ombudsman