

The complaint

Ms B complains that NewDay Ltd trading as Pulse lent to her irresponsibly.

What happened

Ms B applied for and was given a credit card with NewDay. The credit limit agreed was as follows:

Date	Event	Credit limit
December 2017	Account opening	£750
May 2018	Credit limit increase (CLI)1	£1,650
September 218	CLI2	£2,400
February 2019	CLI3	£3,400
July 2019	CLI4	£4,400
January 2020	CLI5	£5,400

Ms B fell into difficulty with the account and, ultimately, it was sold to a third-party debt purchaser in July 2021.

On 16 September 2025, Ms B complained to NewDay. She said the initial credit limit and subsequent increases had been provided irresponsibly as they were unaffordable for her. To resolve her complaint, Ms B asked NewDay to refund interest and charges she'd paid, compensate her for stress and inconvenience and to remove any negative markers on her credit file.

NewDay looked into her complaint and issued a final response letter. It said that as more than six years had passed since her account was opened and CLI1-4 had taken place, her complaint about those had been raised too late under the rules set by the Financial Conduct Authority (FCA). But it looked into CLI5 and felt the lending was reasonable. It didn't uphold the complaint.

Ms B was unhappy with NewDay's response, so she referred her complaint to our service. One of our investigators looked into it. She agreed with NewDay that the only part of the complaint we have the power to look into is CLI5. She went on to consider it but didn't uphold the complaint.

Ms B didn't agree with our investigator, so the complaint has 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.

A colleague ombudsman has already decided that we don't have the power to look into the account opening and CLI1-4 – and for completeness, I agree with that decision. So my decision will focus solely on CLI5.

We've set out our approach to complaints about irresponsible and unaffordable lending on our website – including the key relevant rules, guidance, good industry practice and law. I've considered this approach when deciding this complaint.

NewDay needed to carry out reasonable and proportionate checks to ensure that it didn't lend to Ms B irresponsibly. I think there are key questions I need to consider in order to decide what is fair and reasonable in the circumstances of this complaint:

- Did NewDay carry out reasonable and proportionate checks to satisfy itself that Ms B was in a position to sustainably meet the repayments?
- If not, what would reasonable and proportionate checks have shown at the time?
- Did NewDay make a fair lending decision?
- Did NewDay act unfairly or unreasonably towards Ms B in some other way?

It's not about NewDay assessing the likelihood of it being repaid, but it had to consider the impact of the repayments on Ms B. There is no set list of checks that it had to do, but it could take into account several different things such as the amount and length of the credit, the amount of the repayments and the overall circumstances of the borrower.

Before offering CLI5 to Ms B – an increase of £1,000 – NewDay checked her credit file and considered how she had run her account with it. It also performed an income and expenditure check using various online tools.

I won't repeat all that NewDay found here as the investigator has provided that detail and both parties are aware of what it found. I will say though that I agree with the investigator's analysis and there was nothing in the data NewDay obtained that meant it ought to have undertaken further checks.

Ms B has said the affordability assessment relied on a narrow snapshot of income and expenditure at the time without considering overall indebtedness. She said it failed to consider "*the trajectory of the account*" and she had a gambling problem that wasn't considered.

Any affordability assessment will be based on a snapshot at the time it is taken. It will assess the applicant's income and often, an estimate of the customer's expenditure. By its nature, that is unlikely to be carried out over a prolonged period, and a customer's circumstances will vary over the course of time.

In this case, NewDay took a snapshot every month or so and in January 2020 felt that an increase was reasonable based on what it saw. Ms B had rarely used all her credit limit throughout the life of the account and had kept up with payments. It was evident to NewDay that Ms B had credit elsewhere – around £18,000 at the time – and that was all up to date. So I don't agree that NewDay didn't consider her overall indebtedness or how she used her account with it.

There is no obligation on lenders to review a customer's bank statements when reaching a lending decision. That being so, there was no way for NewDay to know that Ms B had a problem with gambling unless – as many customers do – she told it. I've seen nothing to suggest that Ms B made NewDay aware of the issue.

All things considered, I think it carried out a reasonable and proportionate check, and reached a fair decision to offer CLI5.

Did NewDay act unfairly or unreasonably towards Ms B in some other way?

I realise my decision will come as a disappointment to Ms B, but for the reasons I've already given, I don't think NewDay acted irresponsibly by agreeing CLI5 for her or otherwise treated her unfairly in relation to this matter. I haven't seen anything to suggest that Section 140A of the Consumer Credit Act 1974 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.

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

Richard Hale
Ombudsman