

## **The complaint**

Mr S complains that NewDay Limited (“NewDay”) (trading as Fluid) lent to him irresponsibly and that the credit provided was unaffordable. Mr S further complains that NewDay did not provide him with help when he was in financial difficulty.

## **What happened**

In May 2020 Mr S received a credit card from NewDay under their Fluid brand. It had an initial APR of 34.9% and an initial limit of £2,000. NewDay agreed to increase this limit on three separate occasions between June 2021 and February 2024. The detail is as follows:

- increase to £3,000 offered in June 2021 and implemented in August;
- increase to £4,600 offered in March 2023 and implemented in May;
- final increase to £5,350 offered in February 2024 and implemented in March (respectively increase one, increase two, and increase three).

The account was passed to a third-party debt collection agency in May 2025.

Mr S complained to NewDay. He said that it was irresponsible of them to provide him with the card and to increase the credit limit as they did because of his financial circumstances. He also said that NewDay did not provide him with help when he was in financial difficulty.

NewDay looked into the complaint and sent a final response letter in December 2025. They outlined the checks they had carried out for the card, including when it was issued and for increases one and two. Overall they felt that these checks were reasonable and proportionate; and their credit assessments showed that Mr S had sufficient disposable income to meet the original and increased repayments without causing him financial difficulties. They didn’t uphold this part of the complaint.

So far as increase three is concerned, NewDay upheld this part of the complaint and provided Mr S with redress. They signposted him to external support if he was struggling to make repayments.

Mr S didn’t accept what NewDay had agreed to do and instead referred his complaint to our service. Regarding irresponsible and unaffordable lending, he said that his credit file showed clear signs of debt and financial difficulty. He also said that NewDay hadn’t provided adequate redress including that relevant adverse credit information hadn’t been removed from his file.

One of our Investigators looked into it. She felt that NewDay had adequately assessed Mr S’s overall financial circumstances before providing him with the initial credit and for increases one and two. Overall, she

felt NewDay's checks on these occasions had been reasonable and proportionate. NewDay had reached fair decisions to provide this credit.

So far as increase three was concerned, she said that NewDay had provided redress by way of a refund of fees and interest in accordance with what this service considered to be appropriate.

NewDay agreed with the Investigator. Mr S didn't dispute that his declared income and credit history in May 2020 meant that the decision to issue the card appeared affordable on paper. He maintained his complaint in relation to increases one and two.

The Investigator didn't change what she'd said. As an agreement couldn't be reached, the complaint has therefore been passed to me for 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.

I've also considered all the available evidence and arguments to decide upon the redress provided by NewDay.

Our approach to complaints about the irresponsible and unaffordable provision of credit is set out in detail on our website. I've used this approach to help me decide Mr S's complaint. For example, I've considered the relevant rules and guidance on responsible credit provision set out in the Financial Conduct Authority's ("FCA") Consumer Credit Sourcebook ("CONC").

In summary, NewDay needed to carry out reasonable and proportionate checks before providing credit to Mr S to ensure they did not do so irresponsibly.

There is no set list of the checks NewDay had to do. What constitutes a proportionate affordability check will depend upon a number of factors including, but not limited to, the amount, type and cost of the credit Mr S was seeking as well as his overall financial circumstances. I've kept all of this in mind when thinking about whether NewDay did what they needed to do before providing the card to Mr S; and for increases one and two.

NewDay say that for each decision to provide credit, they undertake detailed affordability assessments. They consider information provided by the customer regarding income and expenditure; credit reference agency ("CRA") data regarding existing credit commitments and how these are being managed; data supplied by the Office for National Statistics ("ONS"); and any existing information and data they already hold.

The applicable rules and guidance do not require a lender to see full evidence of expenditure in every case. Instead the lender has discretion about how they conduct checks to satisfy themselves that lending is affordable to applicants, provided the checks are reasonable and proportionate. This includes the consideration of statistical data where it is reasonable and proportionate to do so, as I think was the case here at each relevant stage.

#### *When the card was issued*

When Mr S applied for this card, he declared a gross annual income of £233,680 which NewDay verified through CRA data. NewDay assessed his monthly income to be £4,456.

NewDay went on to assess Mr S's monthly expenditure based on CRA data; information supplied by Mr S; and ONS data. NewDay's assessed expenditure comprised housing costs of £546, essential living costs of £551.60, and existing unsecured credit repayments of £720. NewDay estimated that Mr S had monthly disposable income of some £2,638 which was ample to cover the cost of the card and to leave him with sufficient net income for day-to-day usage and to meet any emergencies.

NewDay also examined Mr S's existing credit commitments. His existing unsecured credit totalled some £28,000. His credit file showed no County Court Judgments ("CCJs") or bankruptcy. There were no reportable arrangements, no payday loans, and no delinquency. The last default occurred 67 months ago. I consider this to be historic rather than any indicator of Mr S's current use of credit. There was nothing to show any issues or anything to suggest that further checks were required. Mr S appeared to be managing his existing credit well.

Overall I think that the checks carried out by NewDay before issuing the card were reasonable and proportionate. Mr S doesn't dispute that his declared income and credit history in May 2020 meant that the decision to issue the card appeared affordable on paper. I further think in all the circumstances that NewDay treated him fairly in their decision to provide him with this credit.

#### *Credit limit increase one*

When NewDay offered to increase the credit limit to £3,000 in June 2021, they carried out a further affordability assessment. They now estimated Mr S's monthly disposable income to be £6,172.43.

NewDay also examined Mr S's existing credit commitments. There had not been any material adverse change to the amount of his existing unsecured credit. His credit file didn't show any issues or anything to suggest that further checks were required. The balance on the card at this point was £0 and there were no cash advances or over limit or late payment fees. Mr S appeared to be managing his existing credit well.

Overall I think that the checks carried out by NewDay before increase one were reasonable and proportionate; and they did not need to obtain bank statements from Mr S as he has suggested they should have done. I further think in all the circumstances that NewDay treated him fairly in their decision to provide him with this credit limit increase.

In relation to both increase one and increase two, I have considered what Mr S has said about there being clear indicators of debt and financial difficulty. His credit file shows that the late payment credit markers to which he refers commenced in October 2024. The account was well within its limits for the whole period prior to increase two with regular payments being made and no over limit or late payment fees. Mr S's credit file didn't show any issues or anything to suggest that further checks were required. I do not think that NewDay should have been aware of financial difficulties as Mr S suggests.

#### *Credit limit increase two*

When NewDay offered to increase the credit limit to £4,600 in March 2023, they again carried out an affordability assessment. They now estimated Mr S's monthly disposable income to be £10,836.42.

NewDay also examined Mr S's existing credit commitments. His existing unsecured credit now totalled some £67,000 but Mr S's credit file didn't show any issues or anything to

suggest that further checks were required. The balance on the card at this point was some £2,500 and there were no cash advances or over limit or late payment fees. Mr S appeared to be managing his existing credit well.

Overall I think that the checks carried out by NewDay before increase two were reasonable and proportionate; and they did not need to obtain bank statements from Mr S as he has suggested they should have done. I further think in all the circumstances that NewDay treated him fairly in their decisions to provide him with this credit limit increase.

#### *Credit limit increase three*

As NewDay have accepted this part of the complaint, I have not looked at the circumstances of this increase.

#### *What is agreed*

The parties to this complaint are agreed that NewDay should not have increased the credit limit on the Fluid card in March 2024. It is therefore not necessary for me to reach a decision on this point.

#### *What is not agreed*

Three limbs of the complaint fall to me to decide upon. Firstly, whether NewDay should have issued the card. Secondly, whether they should have increased its credit limit in August 2021 and again in May 2023. Thirdly, whether NewDay should pay additional redress and should remove additional information from Mr S's credit file.

I think that NewDay carried out reasonable and proportionate checks when they issued the card; and when they increased its credit limit in August 2021 and in May 2023. I further think that NewDay made fair decisions to lend on each of these occasions.

Turning to the third limb, I think that NewDay have paid redress in accordance with what this service considers to be appropriate. It isn't our role to audit the redress amounts but instead to consider what we would expect the redress to include. I think that NewDay have carried out a proper redress calculation.

So far as Mr S's credit file is concerned, CRAs give lenders a range of information about potential borrowers, which lenders use to make decisions about whether they will offer credit or not. It is therefore important that this information is correct. NewDay have stated that they can remove any negative information concerning the third increase from Mr S's credit file. In light of what I've said concerning the first and second limbs of this complaint, I do not think that NewDay are required to remove any additional information from Mr S's credit file.

#### **My final decision**

Given what I have said above regarding what is agreed, it is not necessary for me to reach a decision on this point.

My final decision otherwise is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr S to accept or reject my decision before 29 April 2026.

Richard Ellison  
**Ombudsman**