

The complaint

Mr T complains that NewDay Ltd trading as Fluid (NewDay) irresponsibly entered into a credit card agreement with him.

What happened

In February 2025, Mr T applied for a credit card with NewDay. He was given a credit card account with a credit limit of £2,500. In August 2025, the credit limit was increased to £4,000.

Mr T complained that NewDay should not have provided him with the credit card account. He said that appropriate affordability checks hadn't been completed and if they had NewDay would have seen that the credit card was unaffordable for him. NewDay didn't think that it had acted unfairly when lending to Mr T.

Our investigator didn't recommend that the complaint should be upheld. Mr T didn't agree. So the complaint has been passed to me for a final decision.

I understand that Mr T also complained about another credit card account with NewDay, however, I'm pleased to hear this has been resolved. Because of this, my findings will be focused only on Mr T's credit card account opened in February 2025.

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.

There isn't a set list of checks NewDay was required to complete before lending to Mr T. The rules require it to ensure it carried out proportionate checks. What is proportionate will vary with each lending decision and takes into account things such as (but not limited to): the amount of credit, the size of the repayments, the cost of the credit, the purpose the credit was taken out for and the consumer's circumstances.

Account opening

At the time of application, Mr T declared his annual income to be £75,000. NewDay verified Mr T's net monthly income to be around £4,500. NewDay also completed a credit check which showed that Mr T had no recent adverse information, such as County Court Judgements. Whilst the credit check revealed that Mr T had at least one defaulted account, this had occurred 25 months before his application for this account. I'm satisfied that nothing in the credit check ought to have caused NewDay concern that Mr T may be struggling financially at the time of the application.

NewDay used statistical data to estimate some of Mr T's essential outgoings. I consider the checks completed by NewDay to be proportionate to the lending decision it was making. I say this because it gathered enough information to make a reasonable decision to establish whether the borrowing would be affordable for Mr T.

Using the statistical data, NewDay estimated that Mr T spent £1,000 per month on housing and around £550 per month on essential living expenses. It could see from the credit check that Mr T spent around £1,600 on his monthly credit commitments. NewDay calculated that Mr T would have around £1,350 left each month to make repayments for this borrowing and any emergency unaccounted for spending and based on this found the borrowing would be sustainably affordable. I consider this to be a reasonable buffer of funds for such expenses.

Mr T has explained that his financial position worsened between his two accounts being opened. He says because of this, he doesn't understand why his complaint about the first account was upheld, but not his complaint about this later account.

NewDay has explained that it upheld the complaint in relation to his first account because after investigating, it found evidence of payday lending and that Mr T had recent arrears on his accounts prior to the first account being opened. Mr T's financial circumstances had changed by the time of the second account application.

I can see from the credit checks completed by NewDay that Mr T's total overall debt balance reduced between the opening times of the two accounts. Further, the credit checks also show that Mr T makes significant repayments towards the first account in the months leading up to the second being opened and NewDay could also see that his outstanding debt was reducing. I'm satisfied this would have provided NewDay comfort, knowing that it was unlikely Mr T was in financial hardship, because he was able to make payments towards his account much larger than the minimum required.

I note that Mr T says that he has a history of gambling. I'm not disputing the impact this can have on an individual's finances, and I'm sorry Mr T was struggling with it. However, I have not seen anything to suggest that NewDay either knew this or ought to have known.

I'm satisfied that a fair lending decision was made when NewDay opened the account with a credit limit of £2,500.

Credit limit increase

It is not clear what checks NewDay completed before increasing the credit limit to £4,000. However, I consider proportionate checks ought to have included verifying Mr T's income and finding out about his essential expenditure. Mr T has provided us with some of his bank statements. I'm not suggesting NewDay needed to review Mr T's bank statements as part of any proportionate affordability assessment. But, I think the statements give a good indication of what NewDay could have learnt about the financial circumstances had it done more.

The statements show that Mr T's income was similar to that which NewDay verified when the account was opened. They also show that Mr T appears to have enough income to support his essential outgoings.

I can see from the credit check completed by NewDay, that no new adverse information had been recorded since the account was opened. From the information provided I can also see that Mr T was making larger payments, over the minimum required in his other account with NewDay. I think from this data, NewDay would have been reassured that Mr T wasn't struggling financially and it was reasonable for it to conclude that Mr T could sustainably afford the credit limit increase.

I note Mr T's comments that his financial position worsened and I accept that his total overall debt was increasing. However, this alone is not cause for concern if the borrowing is being managed well. I'm satisfied that had NewDay completed proportionate checks before increasing the credit limit, it would have found that Mr T had enough income to support his

essential outgoings, which include all his outstanding credit commitments and the credit limit increase. Because of this, I'm satisfied NewDay made a fair lending decision when it increased Mr T's credit limit to £4,000.

In reaching my conclusions, I've also considered whether the lending relationship between Mr T and NewDay might have been unfair to Mr T under Section 140A of the Consumer Credit Act 1974 ("CCA"). However, for the reasons I've already explained, I'm satisfied that NewDay did not lend irresponsibly when providing Mr T the credit card account, or the subsequent credit limit increase, or otherwise treat him unfairly in relation to this matter. And I haven't seen anything to suggest that Section 140A CCA would, given the facts of this complaint, lead to a different outcome here.

My final decision

While it'll likely come as a disappointment to Mr T, I won't be upholding his complaint against NewDay Ltd trading as Fluid for the reasons explained above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr T to accept or reject my decision before 11 May 2026.

Jenny Hiltunen
Ombudsman