

The complaint

Mr C complains that NewDay Ltd trading as Opus irresponsibly lent to him.

What happened

Mr C was approved for an Opus credit card in August 2022, with a £300 credit limit. Mr C says this was irresponsibly lent to him. Mr C made a complaint to Opus, who did not uphold his complaint. Opus said that they were confident they provided the account responsibly, and that they carried out fair affordability checks. Mr C brought his complaint to our service.

Our investigator did not uphold Mr C's complaint. She said that Opus' checks were proportionate, and they made a fair lending decision. Mr C asked for an ombudsman to review his complaint. He made a number of points. In summary, he said he had taken out five other credit agreements shortly before applying for the Opus account, and this would have been showing on his credit file at the time.

Mr C said there was already significant adverse information on his credit file including a County Court Judgement (CCJ), and previous defaults at the time he applied for the Opus account, and this pattern should have been treated as a warning sign of increasing financial difficulty. He said Opus relied on estimated living costs rather than properly assessing his real financial circumstances, and the fact the credit limit was £300 doesn't by itself show the lending was sustainably 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 the credit available to Mr C, Opus needed to make proportionate checks to determine whether the credit was affordable and sustainable for him. 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 Opus have done and whether I'm persuaded these checks were proportionate.

Opus said they looked at information provided by Credit Reference Agencies (CRA's) and information that Mr C had provided before approving his application. The information showed that Mr C had declared a gross annual income of £35,000. The CRA reported that Mr C had defaulted on at least one account previously, with the last default being 35 months earlier. And he also had at least one CCJ registered 16 months prior to the checks.

It may help to explain here that, while information like a default or a CCJ on someone's credit file may often mean they're not granted further credit – they don't automatically mean that a lender won't offer borrowing. So I've looked at what other checks Opus made, to see if they made a fair lending decision.

The CRA reported that Mr C was not showing as being in arrears on any of his active accounts at the time of Opus's application checks. The CRA also reported he hadn't been in arrears on any of his active accounts for the six months prior to Opus's checks. Mr C was showing as having an active debt to gross annual income of 2.8%, which would have equated to him having around £1,052 of active unsecured debt. So it wouldn't appear that he had opened five credit agreements recently.

It can take a credit file typically 4-6 weeks to update, and not all lenders report to all of the different CRA's available. So Opus would only be able to act on the information they had that the CRA they used gave them, and it didn't appear that Mr C was overindebted at the time of these checks.

Opus also completed an affordability assessment using information from a CRA and modelling, which is an industry standard way of estimating outgoings. The net income figure used in the calculation was £2,036.30. The affordability assessment showed that the repayments for a £300 initial credit limit should be affordable and sustainable for Mr C.

So in the absence of any recent adverse credit being reported by the CRA, the new credit limit being less than 1% of Mr C's declared gross annual income, and the results of the affordability assessment showing sustainable repayments would be affordable for Mr C, I'm not persuaded it would have been proportionate for Opus to have completed further checks such as asking Mr C for payslips and bank statements.

So I'm persuaded that Opus's checks were proportionate here, and they made a fair lending decision to approve the account, and to provide Mr C with a £300 credit limit.

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 Opus lent irresponsibly to Mr C or otherwise treated him 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 Mr C to accept or reject my decision before 21 May 2026.

Gregory Sloanes
Ombudsman