

## **The complaint**

Mr S complains that NewDay Ltd trading as Aqua irresponsibly lent to him.

## **What happened**

Mr S was approved for an Aqua credit card in January 2025, with a £1,200 credit limit. The credit limit was increased to £2,700 in May 2025, and the credit limit was increased to £3,950 in September 2025. Mr S says that Aqua irresponsibly lent to him. Mr S made a complaint to Aqua, who did not uphold his complaint. Aqua said that they provided the account responsibly, and carried out fair affordability checks. Mr S brought his complaint to our service.

Our investigator did not uphold Mr S' complaint. He said that Aqua's checks were proportionate, and they made fair lending decisions. Mr S asked for an ombudsman to review his complaint. He said Aqua were aware of a previous complaint that they upheld for irresponsible lending, but they still increased the credit limit. He said he never cleared the balance in full and they shouldn't have increased the credit limits to the extent they did when he was only making minimum repayments.

## **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.

Although Mr S has previously had an upheld complaint from Aqua regarding irresponsible lending, our service considers each complaint on its own merits. This is a different account that Mr S has complained about, opened years after the previous complaint was upheld, so it doesn't automatically follow that any future complaints will be upheld, as a complainant's financial situation could improve over time. Therefore I'll be looking to see if Aqua's checks were proportionate for each lending decision, and whether they made a fair decision to lend.

Before agreeing to approve or increase the credit available to Mr S, Aqua 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 Aqua have done and whether I'm persuaded these checks were proportionate.

### *Acceptance for the Aqua credit card*

Aqua said they looked at information provided by Credit Reference Agencies (CRA's) and information provided to them by Mr S. The information showed that Mr S had no public records such as a County Court Judgement (CCJ) registered, and no defaults registered on his credit file.

Mr S declared a gross annual income of £36,121. The CRA reported that Mr S had not

defaulted on any active accounts, he had not had any arrears in the six months prior to the application checks, he had no payday loans or any arrangements on any existing active accounts.

The CRA also reported that Mr S had a debt to income ratio of 53.4%, which would have equated to around £19,288. But Aqua received information about Mr S' monthly credit commitments, so they were able to build this into an affordability assessment they completed.

Aqua also used modelling to estimate Mr S' other expenditure. This is an industry standard way of assessing a borrower's outgoings. The assessment showed that the repayments for a £1,200 credit limit would be affordable and sustainable for Mr S.

So in the absence of any adverse information from the CRA, and the results of the affordability assessment, I'm persuaded that it wouldn't have been proportionate for Aqua to have requested further information such as Mr S' bank statements.

So I'm persuaded that the checks Aqua completed were proportionate, and I'm persuaded that Aqua made a fair lending decision to approve a £1,200 credit limit.

#### *May 2025 credit limit increase - £1,200 to £2,700*

A CRA reported that Mr S had unsecured debt of £20,704 at the time of the lending checks, which was not too dissimilar to what it was when he opened the Aqua account. Mr S had no accounts in arrears since the last lending decision.

Aqua would have also been able to see how Mr S operated his account since it had been opened. Mr S incurred no late or overlimit fees on his account since it had been opened. Mr S made repayments that often exceeded his minimum repayment, with one repayment being nearly double the required minimum repayment, and another repayment being almost 17 times the minimum repayment which could suggest that Mr S had disposable income to be able to make affordable and sustainable repayments.

So in the absence of any adverse information being reported by the CRA's, and how Mr S had used his Aqua account since it had been opened, I'm not persuaded that further checks were required here such as asking Mr S for his bank statements. I'm persuaded that Aqua's checks were proportionate, and they made a fair lending decision.

#### *September 2025 credit limit increase - £2,700 to £3,950*

A CRA reported that Mr S had unsecured debt of £18,684 at the time of the lending checks, which was lower than what it was four months earlier, when Aqua completed their last lending checks. This could suggest that not only did Mr S have the affordability to not only reduce his existing debt, but also to have the disposable income to reduce the overall debt in a short period of time. Mr S again had no accounts in arrears since the last lending decision.

Aqua would have also been able to see how Mr S operated his account since the last lending decision. Mr S incurred no late or overlimit fees on his account since the last lending decision. Mr S often made the minimum repayment on the account since the last lending decision apart from in the month of these lending checks.

Aqua also completed another affordability assessment for Mr S (using similar information as the account opening checks such as information from the CRA about his credit commitments, and modelling). The affordability assessment showed that Mr S would have the affordability to sustainably make affordable repayments for a £3,950 credit limit.

So again, in the absence of any adverse information being reported by the CRA's, and how Mr S had used his Aqua account since it had been opened, I'm not persuaded that further checks were required here such as asking Mr S for his bank statements. I'm persuaded that Aqua's checks were proportionate, and they made a fair lending decision.

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 Aqua lent irresponsibly to Mr S 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. So it follows I don't require Aqua to do anything further.

### **My final decision**

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 18 May 2026.

Gregory Sloanes  
**Ombudsman**