

complaint

Mr M has complained that NewDay Ltd acted irresponsibly when it allowed him to take out a credit card.

background

Mr M took out a credit card with NewDay in August 2017. He says it shouldn't have given him a credit card because of his poor credit history and he complained because he was struggling to make the payments on the card.

NewDay didn't uphold Mr M's complaint. It said its credit card is aimed at customers who have a poor credit history and has been designed to help them improve their credit rating. It says Mr M met its acceptance criteria and he was given a card with a credit limit of £450 which it thought was appropriate to his circumstances.

Mr M wasn't happy with NewDay's response to his complaint and referred it to this service.

our initial conclusions

Our adjudicator didn't recommend the complaint should be upheld. He didn't think there was any evidence NewDay had acted irresponsibly and it had dealt fairly with his complaint.

Mr M didn't accept our adjudicator's recommendation.

my findings

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint.

I think NewDay makes it clear to potential customers that its product is designed to help people who have poor credit histories improve their credit score. It's reasonably entitled to set its own criteria regarding who it is willing to offer credit cards to and how much credit it will offer. I'm satisfied that Mr M should have known when he applied for the card, that it could be given to him notwithstanding his credit history.

Mr M's credit file shows he has had problems and a number of defaults are recorded against him. But the defaults were recorded some time before he applied for the credit card. I'm satisfied that Mr M's application was approved in line with NewDay's lending criteria. I think the decision to proceed was reasonable based on what Mr M said in his application as well as what NewDay found out when it completed a credit search. I'm not persuaded that on the basis of the information NewDay had at the time of the application it was irresponsible for it to have given Mr M the credit card.

my final decision

For the reasons I've given, my final decision is I don't uphold this complaint. I make no award against NewDay Ltd.

Under the rules of the Financial Ombudsman Service, I'm required to Mr M to accept or reject my decision before 11 July 2019.

Charles Bacon
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