

complaint

Mr L complains that NewDay Ltd, trading as Aqua, irresponsibly increased his credit card limit which was unaffordable.

background

Mr L says Aqua has increased the credit limit on his credit card on four or five occasions over the last few years. He says he has a gambling problem and the increases were unaffordable and irresponsible in the circumstances. Mr L also says he used his credit card for deposits for gambling and had other credit at the time which Aqua should have considered before allowing the increases. He would like all of the interest and charges he's paid refunded and Aqua to pay 8% interest on that amount. He would also like Aqua to remove any adverse data from his credit file.

Aqua doesn't accept making a mistake and says it increased the credit limit on Mr L's account from 2014 in line with the account terms and conditions. It says before each increase it wrote to Mr L and told him he could contact it to reject any increases. It also says it checked each increase first using its internal information and information on Mr L's credit file. Aqua says it was unaware of any gambling problems.

Mr L brought his complaint to us but our adjudicator didn't think Aqua had made a mistake or acted unfairly. The adjudicator thought that Aqua had written to Mr L before each increase and given him the opportunity to reject them if he wanted. The adjudicator also checked Mr L's credit file and thought Mr L had made regular monthly payments and there wasn't any other adverse data recorded on it that should have alerted Aqua to any problems. The adjudicator didn't think Mr L had told Aqua about any gambling problems and that appropriate checks had been carried out.

Mr L has asked that his complaint be reviewed by an ombudsman.

my findings

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint. Having done so I've come to a similar overall view as the adjudicator. I realise Mr L will be disappointed by my decision.

I'm satisfied that Aqua wrote to Mr L with details of the proposed increases to his credit limit on five occasions between 2014 and 2017. I'm also satisfied that Mr L had the option of rejecting any of the increases if he wished to so but he didn't. So I don't think Aqua made a mistake by increasing the credit limits in those circumstances and I think it carried out checks internally and on Mr L's credit file before doing so.

I've also looked at Mr L's credit file and I think it shows that Mr L made regular repayments to Aqua and that there isn't any information on the credit file that suggests the lending was unaffordable. So I can't fairly say the lending was either unaffordable or irresponsible.

I appreciate Mr L says he has a gambling problem. But I don't think he told Aqua about that problem and so I don't think it could have considered that when it offered Mr L the credit limit increases.

I accept that Mr L may be in financial difficulties now. In those circumstances I would expect Aqua to deal with Mr L's position positively and sympathetically. And I hope Mr L will approach Aqua so that it can deal with him in such a way.

Overall I don't think Aqua has acted unfairly or made a mistake and so I can't reasonably order it to refund any interest, charges or pay Mr L the interest he would like.

my final decision

My final decision is that I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr L to accept or reject my decision before 14 July 2019.

David Singh
ombudsman