

## **complaint**

Mr G complains that NewDay Ltd irresponsibly increased the credit limit on his credit card in 2016 when he'd already exceeded his existing credit limit and couldn't pay it back. He wants a refund of interest and charges and his credit file amended.

## **background**

NewDay said in its final response that the offer to increase Mr G's credit limit in December 2016 and other offers were made in line with its responsible lending policy.

Our investigator felt this complaint shouldn't be upheld. She said:

- When increasing a credit limit and lending to a customer NewDay should've carried out reasonable and proportionate checks. But we can't tell it exactly what checks to carry out. That's something for it to decide upon.
- NewDay has said that when offering an increased credit limit it considers the card's use, the customer's credit report and its own risk strategies. It says it did this each time it decided to increase Mr G's limit and he passed the checks.
- The fact that Mr G was only making minimum payments onto his card isn't necessarily an indication of financial difficulty. It shows the customer can maintain the account. Mr G's credit record shows he made some late payments but didn't miss them; he exceeded credit limits marginally but brought them back in line with minimum payments; there weren't any problems with loans; and he only sporadically took out cash advances. These things aren't enough to say NewDay should've known he was in financial difficulty or shouldn't have lent to him.
- NewDay says that each time it increased Mr G's credit limit he was offered the option of opting out of the increase and he wasn't in arrears when the increases were made. That complies with the relevant guidelines. NewDay also asked Mr G to consider if he could afford to pay the money back and if there'd been a change in his circumstances. It's clear Mr G knew he could have the limit reduced as he'd done that on the account on a previous occasion. Mr G didn't ever tell NewDay he wasn't happy with the limit increases.
- Overall NewDay's lending wasn't irresponsible and she won't be asking it to do anything.

Mr G doesn't agree and has asked for an ombudsman review.

## **my findings**

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

Mr G has referred to a number of previous Final Decisions published on our website. He says they show cases and situations similar to his and support his case that he should be given a refund of interest. I've taken note of them particularly the one case he says is most

like his. But each and every complaint is different. And we must consider each case, including Mr G's, on its individual circumstances and merits. Previous Final Decisions also don't amount to precedents which bind us in deciding future cases.

The circumstances in the case and decision Mr G primarily relies on are different to those in his case. For example in that case the consumer's credit history and payment record was significantly different and worse in some respects than Mr G's case.

In Mr G's case he continued making the minimum payments. And although he occasionally slightly exceeded his credit limit he quickly brought the account back in line. Some late payments were also made but he didn't miss payments. And his overall credit history showed him managing his financial affairs well. He appeared to be in control of them even if he may've been experiencing some financial difficulty from time to time.

NewDay clearly carried out appropriate checks. It took account of his credit history and his history with it. And it was satisfied Mr G met its lending criteria before granting the increased credit limits. That seems reasonable. It's a matter for NewDay to set and apply its lending criteria. That and its decisions to lend more to Mr G are matters of it exercising its commercial judgement, in which we wouldn't normally get involved.

Mr G says NewDay should've done more than merely send out a letter saying he could opt out of the credit limit increases. Particularly to someone in his position who would accept any increase to live off the credit card. But this service isn't a regulator. We can't fine or punish a business or require it to change its practices and procedures. General issues about how the banking industry works are a matter for the Financial Conduct Authority.

I understand Mr G's frustration. But the simple fact is he was given an opt out of each of the credit limit increases. And NewDay invited him to consider his situation and ability to afford the new limits and repayments. Mr G didn't have to accept the credit limit increases if he didn't want to or if he considered they weren't affordable for him.

I also note Mr G had actually asked for his credit limit to be reduced in March 2012, so he was clearly aware of what could be done if he was unhappy with what was being offered. His credit limit was increased a number of times in the three year period between 2013 and 2016. But Mr G didn't once contact NewDay to opt out of or discuss any of the increases. He could've also asked NewDay for help at any time if he was experiencing financial difficulties. And when the credit limits were increased Mr G wasn't obliged to utilise them to their maximum or at all if he didn't want to or couldn't afford to service the resulting debt.

Overall although I recognise Mr G's strength of feeling I don't think it's been shown that NewDay didn't carry out proportionate checks or irresponsibly increased his credit limits. Consequently I don't think I can fairly or reasonably require NewDay to refund any interest to Mr G or amend his credit file as he'd like.

I don't see any compelling reason to change the proposed outcome in this case.

### **my final decision**

I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr G to accept or reject my decision before 13 June 2019.

Stephen Cooper  
**ombudsman**