

## **complaint**

Mr D is unhappy that NewDay Ltd t/a Aqua increased his credit limit on his credit card account. He doesn't think they carried out the appropriate checks before doing so and he thinks they've acted irresponsibly.

## **background**

Mr D opened a credit card account with NewDay in January 2014 with a credit limit of £250. This credit limit was increased in May 2014 to £400, in January 2016 to £800 and then in June 2016 to £1500.

NewDay say they've acted fairly and that their decision to increase the credit was based on information supplied by Mr D at the point of opening the account, along with information held by Credit Reference Agencies and their own internal risk strategies. They say Mr D met their acceptance criteria for borrowing. And that they carried out appropriate checks. They also say that Mr D's circumstances weren't such that they'd had cause for any concern that he wasn't eligible for the credit limit increases. So Mr D's complaint wasn't upheld by them.

As Mr D remained dissatisfied, he referred the case to our service. An investigator has already looked at this complaint. He felt NewDay had complied with their internal risk policies. But he also felt there may have been signs Mr D was struggling financially and that this should've triggered NewDay to carry out further checks. In light of this the investigator asked Mr D for further information in order to try to determine what those further checks may have revealed. Despite various requests Mr D was unable to provide any further information. The investigator explained to Mr D that without this information he'd be unable to say that NewDay should refund any interest or charges to him.

As this complaint still remains unresolved, the matter has now been passed to me to look at.

## **my findings**

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

Regarding their own internal risk strategies, NewDay has told our service that their policy is to exclude customers for credit limit increase offers that are currently over limit as well as where a customer has incurred an over limit fee for each of the 3 months prior to a potential credit limit increase. Having considered all the evidence I think NewDay did comply with their own internal policy.

Having looked at all the evidence I think it likely NewDay did carry out reasonable and proportionate checks to satisfy itself that Mr D would be able to repay any credit in a sustainable way. I note that at the time of the increases Mr D had passed affordability and financial difficulties checks. NewDay also checked for over indebtedness, credit utilisation, arrears, CCJs and defaults.

Based on the information, I believe NewDay did make a fair lending decision bearing in mind what they knew about Mr D's circumstances.

However even if I was minded to think that the checks weren't proportionate and reasonable, Mr D has been unable to provide us with any evidence to show that he was unable to

sustainably repay the credit limit increases. I can see the investigator has already asked Mr D for this evidence on numerous occasions. And he's clearly explained why he wanted this information.

In light of the above I too am unable to say that NewDay need to take any further action in this case.

**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 D to accept or reject my decision before 23 July 2020.

Robyn McNamee  
**ombudsman**