

## **complaint**

Mr S complains that NewDay Ltd lent irresponsibly when it approved a credit card in 2015. Mr S also complains that he didn't know a default had been applied in 2016.

## **background**

Mr S applied for a NewDay credit card in 2015 and it was approved. In August 2016 Mr S made his final payment to the credit card. NewDay wrote to him over the following months and went on to apply a default to the credit card account.

Mr S complained and NewDay responded in October 2018. NewDay said it had considered Mr S' credit file as well as other information when looking at his application. NewDay said the application was approved in line with its lending criteria and didn't uphold the complaint. In addition, NewDay said it sent a default notice to Mr S in November 2016.

Mr S referred his complaint to this service and an investigator looked at it. The investigator thought NewDay had lent responsibly when it approved Mr S' credit card and that they were satisfied it'd written to him about the default so didn't uphold his complaint. Mr S asked to appeal so his complaint's been passed to me to make a decision.

## **my findings**

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

There isn't a specific set of checks that lenders have to complete before approving an application for credit. In this case, NewDay says it looked at Mr S' credit file in addition to what he said in the application before deciding to proceed.

In his application Mr S told NewDay he was employed, earned around £45,000 a year and was living with his parents. Mr S has provided a copy of his credit file which shows that he defaulted some accounts in 2011 and 2013 and had received a County Court Judgement in 2010.

NewDay has advised that because of the time between the defaults and County Court Judgement and Mr S' application it still met its lending criteria. NewDay will accept applications from customers with some adverse credit and Mr S' application was approved in line with its lending criteria. I'm sorry to disappoint Mr S but I don't think the adverse information on his credit file was a barrier to his application to NewDay or should've led to an automatic decline.

I've carefully thought about everything Mr S and NewDay have said and provided. Having done so, I'm satisfied that Mr S' application was approved in line with NewDay's lending criteria. I think the decision to proceed was reasonable based on what Mr S said in his application as well as what NewDay found out when it completed a credit search.

Mr S says he wasn't aware his account had been defaulted in 2016 but I've seen the letters NewDay sent him around that time. NewDay's letter dated 28 November 2016 asked Mr S to pay £92.98 before 10 December 2016 otherwise his account would be closed and a default reported. As Mr S didn't make any further payments or contact NewDay I'm satisfied its decision to proceed with the default was fair.

I'm sorry to disappoint Mr S but, for the reasons given above, I haven't found NewDay lent irresponsibly when it approved his credit card in 2015. And I'm satisfied NewDay wrote to Mr S about its decision to default his account before taking that step. As I haven't found any evidence of a mistake by NewDay I'm not telling it to do anything else to resolve this complaint.

**my final decision**

My decision is that I don't 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 13 April 2019.

Marco Manente  
**ombudsman**