

## **The complaint**

Mr C is unhappy that NewDay Ltd trading as John Lewis Partnership Card declined his request for a credit limit increase and refused to tell him why.

## **What happened**

Mr C opened an account with NewDay in August 2022 with a credit limit of £3000.

In 2023 Mr C contacted NewDay by telephone and requested to increase the credit limit. NewDay declined. Mr C says he was told that this could be because he had failed some sort of credit worthiness test.

Mr C complained to NewDay. He wanted to know the reason why his request to increase the credit limit was declined.

NewDay didn't uphold the complaint. In its final response, NewDay said that when it receives a request to increase a credit limit, it considers internal factors such as how the account is managed and external factors such as information on the customer's credit file. It advised Mr C that his account had reached its limit cap and that it was unable to increase his credit limit at this time.

Mr C remained unhappy and brought his complaint to this service. He feels that he's been treated unfairly. He said his wife had been given a higher credit limit and he was concerned that he'd been treated differently on the grounds of age or sex.

Our investigator didn't uphold the complaint. He said that NewDay had made a legitimate commercial decision and had acted reasonably in line with its rights and obligations under the credit agreement.

Mr C didn't agree so I've been asked to review the complaint.

## **What I've decided – and why**

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

I appreciate that this has been a frustrating and worrying experience for Mr C. He's expressed concern that there might be something on his credit file which NewDay isn't telling him about. I can see that Mr C has obtained his credit report and I hope that he's managed to check it and make sure there's no errors or inaccuracies.

Lenders decline requests to increase credit for a number of reasons. The most common ones are that the account is too new, the customer's credit score is low, the customer has a record of late payments, the customer has a history of only making the minimum payments, the customer's income is too low, the customer has too many recent credit applications or the customer has too much available credit. This list isn't exhaustive and it may be that none of the reasons apply in Mr C's case.

A lender isn't obliged to disclose the exact reason why a credit limit increase has been declined. However, this service expects lenders to be able to show that they've reached the decision fairly.

In this case, NewDay has said that it isn't able to increase Mr C's credit limit beyond £3000 due to a cap on the credit limit.

I appreciate that Mr C doesn't feel that this is a clear enough reason. However, NewDay is entitled to apply its own internal lending criteria and its outside of the remit of this service to look at those criteria. Based on what I've seen, I think NewDay have demonstrated that it reached the decision fairly.

Mr C has queried why his wife has been given a higher credit limit than him. I'm only able to look at the circumstances of this complaint. So I can't comment on Mr C's wife's account.

I understand that Mr C feels very strongly about this. I also appreciate that he's been caused a significant degree of worry because he thought there was something amiss with his credit file. I haven't been able to listen to the call between Mr C and NewDay where he asked to increase his credit limit, but I have no reason to doubt what Mr C says. If he was left with the impression that he wasn't creditworthy then I am very sorry to hear that. I hope that Mr C has been reassured by looking at his credit file.

Taking everything into account, I'm unable, to say that NewDay has treated Mr C unfairly or unreasonably. I won't be asking NewDay to do anything further.

### **My final decision**

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

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr C to accept or reject my decision before 4 April 2024.

Emma Davy  
**Ombudsman**