

## **The complaint**

Mr H complains that NewDay Ltd trading as Aqua was irresponsible in its lending to him.

## **What happened**

Mr H was provided with an Aqua credit card by NewDay with an initial credit limit of £600. The credit limit was increased on eight occasions resulting in a final credit limit of £8,000. Mr H says that the lending was irresponsible and that even though he was only making the minimum repayments, NewDay kept increasing his credit limit.

NewDay said that given when the Aqua account was opened, and credit limit increases applied there was limited information available. It said that based on the limited customer management data it held it found that the credit limit increases were provided correctly and in line with its lending policy. It said it was satisfied that adequate checks were carried out to ensure the limit increases were affordable.

Our investigator said that due to the limited records available from when Mr H applied for the Aqua credit card and the credit limit increases took place, he couldn't say if the checks for each lending decision were proportionate or not. However, based on the internal payment history provided he didn't find there was anything that would have changed any of the lending decisions. Our investigator said that he would usually consider information such as bank statements, or a credit file to assess Mr H's income and expenditure at the time of application. But as these hadn't been able to be provided, he couldn't determine what NewDay would've seen had it completed further checks. Because of this he didn't uphold this complaint.

Mr H didn't think it fair that due to a lack of data his complaint had been decided in NewDay's favour and instead thought it would be fair to have the responsibility split between him and NewDay. He said that as his account had been closed within the past five years along with his other accounts, he would expect the data to be available.

## **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.

Our approach to considering complaints about unaffordable and irresponsible lending is set out on our website. I've had this approach in mind when considering what's fair and reasonable in the circumstances of this complaint.

In summary, before providing credit, lenders need to complete reasonable and proportionate affordability checks. There isn't a set list of checks a lender is required to carry out, it just needs to ensure the checks are proportionate when considering things like: the type and amount of credit being provided, the size of the regular repayments, the total cost of the credit and the consumer's circumstances.

Mr H's complaint is about his Aqua credit card which was provided in 2012 with an initial

credit limit of £600. Given when the credit card was provided, I do not find it surprising that NewDay hasn't been able to provide evidence of the affordability and credit worthiness checks it undertook at that time. So, I cannot say whether the checks carried out before the credit card was provided were proportionate. But even if further checks should have been undertaken, I would only uphold this complaint if I found that the checks showed the lending to be unaffordable or irresponsible. As Mr H hasn't been able to provide evidence such as bank statements or credit files showing his financial circumstances at the time, I do not find I have enough evidence to say the Aqua credit card shouldn't have been provided.

Eight credit limit increases were applied to Mr H's Aqua credit card. The first in September 2012 then three in 2013, two in 2014 and two in 2015. The final limit increase took the credit limit to £8,000 in November 2015. This is a high number of limit increases which resulted in Mr H having a substantial credit limit. But for me to say that the credit limit increases shouldn't have been provided I would need to be satisfied that the additional lending either wasn't affordable to Mr H or was irresponsible in another way.

Unfortunately, the information provided has been limited and I have relied on the evidence I have, being the Aqua customer management data. Having looked through this I can see that Mr H was making at least his minimum monthly payments and often paying amounts above this. I don't find that his account behaviour alone should have raised concerns that he was struggling financially and without any further evidence I do not find I have enough to say that the credit limit increases shouldn't have been provided.

I note Mr H's comments that the credit limit increases were irresponsible and the reference he has made to the additional lending NewDay provided through other credit cards. But based on what I have seen, three of the other credit cards were provided after the final credit limit increase on the Aqua card. The other credit card was provided around the time of the final Aqua credit card limit increase and had an initial credit limit of £900. I think this additional lending should have been taken into account but as noted above, without further evidence to show that the lending provided was unaffordable to Mr H, I do not find I can uphold this complaint.

### **My final decision**

My final decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr H to accept or reject my decision before 8 April 2024.

Jane Archer  
**Ombudsman**