

The complaint

Mr M complains that National Westminster Bank Plc (NatWest) irresponsibly allowed him to take out a number of loans which were unaffordable.

What happened

Mr M says he took out a number of NatWest loans from 2014. He says appropriate checks were not carried out and that the loans were unaffordable. Mr M says he had a gambling problem and it ought to have been obvious that the loans were not affordable as NatWest had access to his bank account statements. He would like all interest and charges refunded and also complains that NatWest allowed him an overdraft and credit card account.

NatWest says it approved four loans from 2014 to 2016 and refused Mr M's last application in 2017. It says Mr M applied for the loans and it carried out appropriate checks. NatWest says Mr M was in employment earning in excess of £20,000 a year and that he made required payments for some years. It also says some of the loans were settled and says Mr M's bank account operated largely in credit. NatWest says Mr M was entitled to gamble and he didn't tell it about any issues until some years after the loans were taken out.

Mr M brought his complaint to us and our investigator didn't uphold the complaint. The investigator thought NatWest did carry out appropriate checks on the applications and thought the loans were well managed for some time after being taken out. The investigator didn't think NatWest had been told about the gambling issues and that Mr M was in receipt of an annual wage from £22,750 to £28,500. The investigator also thought the financial difficulties took place some years after the last loan.

Mr M doesn't accept that view and says he wasn't in a position to have told NatWest about the gambling issue at the time of the loans and says his other complaints have not been looked at.

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.

Having done so I have come to the overall view that I don't uphold this complaint. I appreciate Mr M will be disappointed by my decision. I also make clear to Mr M that I have only considered his complaint about the loans and not his credit card account or overdraft as I can't see that NatWest has investigated that part of the complaint. I also can't see that Mr M relied on an overdraft but those are matters he will have to ask NatWest to investigate.

Lenders and credit providers should carry out reasonable and proportionate checks on any credit or loan application. Those checks will of course vary depending on the type and amount of that lending.

I have looked at NatWest records and can see that Mr M made four loan applications between August 2014 and June 2016. The total amount borrowed was just over £15,000 but

can see that some loans appeared to have been repaid in full. I can also see that NatWest did carry out checks on all of the applications and credit scored them which Mr M passed. I can also see that Mr M declared an income of between £22,750 and £28,500 which was confirmed by his account statements and that he had limited outgoings. I'm satisfied that NatWest did carry out reasonable and proportionate checks on Mr M's applications and that the lending was not irresponsible but affordable.

I can see from NatWest's records that Mr M managed his loan accounts appropriately for some years after they were taken out which I think provides additional evidence that the loans were affordable. I have also looked at Mr M's bank account statements and can see that his account was largely in credit at the relevant time. I appreciate that his account balance at times was relatively substantial which may have been due to gambling.

I appreciate Mr M says he was gambling but I'm satisfied that it's up to Mr M to decide how he spends his money. I don't think NatWest could have been aware that there may have been a problem unless Mr M told it. And I don't see what NatWest could have done to have helped Mr M without that conversation taking place.

I think on balance that Mr M's financial problems took place some time after the last loan was taken out in 2016. I say that as I can see Mr M made required loan repayments and usually had a credit balance in his bank account at that time, but the position changed some time afterwards.

Overall, I'm satisfied that NatWest did carry out reasonable and proportionate checks on Mr M's loan applications. I can't see what other checks it could have carried out and as Mr M hasn't provided his credit file, I can't see what if any adverse information may have been recorded on it between 2014 and 2016. If Mr M wishes NatWest to consider a complaint about a credit card account he held with it or an overdraft facility then he will need to make a complaint to it.

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 M to accept or reject my decision before 2 March 2022.

David Singh
Ombudsman