

The complaint

Ms B complains that Nationwide Building Society ('Nationwide') irresponsibly gave her two loans that she couldn't afford.

What happened

On 26 March 2009, Ms B applied for a loan with Nationwide. The loan amount was £15,000, the term was 60 months and the monthly repayment was £301.48. On 24 April 2013, Ms B applied for a loan with Nationwide which repaid the previous loan. The loan amount was £18,537.27, the term was 60 months and the monthly repayment was £384.97.

In 2021, Ms B complained to Nationwide to say that the loans shouldn't have been opened for her because they weren't affordable and that Nationwide ought to have made a better effort to understand her financial circumstances before providing her with credit.

Our adjudicator didn't recommend the complaint be upheld. Ms B didn't agree. So, the complaint has been passed to me to decide.

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've read and considered the whole file, but I'll confine my comments to what I think is relevant. If I don't comment on any specific point it's not because I've failed to consider it but because I don't think I need to comment on it in order to reach what I think is the right outcome in the wider context. My remit is to take an overview and decide what's fair "in the round".

Nationwide will be familiar with all the rules, regulations and good industry practice we consider when looking at a complaint concerning unaffordable and irresponsible lending. So, I don't consider it necessary to set all of this out in this decision. Information about our approach to these complaints is set out on our website.

Ms B's complaint is that Nationwide made credit available that was unaffordable. It's possible that Nationwide failed to make adequate checks before providing Ms B with credit. But even if that's true, I have seen insufficient evidence to think better enquiries would have caused Nationwide to think the loans were unaffordable.

It is not straightforward trying to determine affordability because Ms B has not been able to provide any bank statements from the times in question or any credit information from the times. So, I have no way of knowing the volume of any credit Ms may have had or how Ms B was managing any existing credit she had at the time the lending decisions were made.

I have considered the monthly repayments in relation to the income Ms B told us she had at the time and this is insufficient to make the loans automatically unreasonable.

So, having considered all the submissions made in this case, and in the absence of any extra evidence from Ms B to the contrary, I have seen insufficient evidence to think that more thorough affordability checks would have led Nationwide to think that the credit it provided Ms B was unreasonable.

I know that Ms B will be disappointed with my decision and I was sorry to read about the difficulties of her personal situation. But I want Ms B to know that I considered all the submissions made in this case. Having done so, I have not found sufficient evidence to uphold this complaint.

My final decision

For the reasons given above, I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms B to accept or reject my decision before 23 December 2022.

Douglas Sayers
Ombudsman